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U.S. DISTRICT COURT
SOUTHERN DIST. OHIO
EAST. DIV. COLUMBUS

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF OHIO
EASTERN DIVISION

MICHAEL VECCHIO, Individually and On Behalf of All Others Similarly Situated,	**CIVIL ACTION NO. 2:08 cv 057**
Plaintiff,	JUDGE:
vs.	MAGISTRATE JUDGE: MAGISTRATE JUDGE KING
HUNTINGTON BANCSHARES, INC., THOMAS E. HOAGLIN, MARTY E. ADAMS, and DONALD R. KIMBLE,	**CLASS ACTION COMPLAINT**
	JURY TRIAL DEMANDED
Defendants.	

Plaintiff, Michael Vecchio ("Plaintiff"), alleges the following based upon the investigation by Plaintiff's counsel, which included, among other things, a review of the defendants' public documents, conference calls and announcements made by defendants, United States Securities and Exchange Commission ("SEC") filings, wire and press releases published by and regarding Huntington Bancshares, Inc. ("Huntington" or the "Company"), securities analysts' reports and advisories about the Company, and information readily available on the Internet, and Plaintiff believes that substantial additional evidentiary support will exist for the allegations set forth herein after a reasonable opportunity for discovery.

NATURE OF THE ACTION AND OVERVIEW

1. This is a federal class action on behalf of purchasers of Huntington's securities between July 20, 2007 and November 16, 2007, inclusive (the "Class Period"), seeking to pursue remedies under the Securities Exchange Act of 1934 (the "Exchange Act").

2. Huntington is a regional bank holding company. It serves as the holding company for The Huntington National Bank ("Huntington National"), which provides commercial and retail financial products and services. On July 1, 2007, Huntington acquired Sky Financial Group, Inc. ("Sky Financial") for $3.3 billion. As a result of the Sky Financial acquisition, the Company began a relationship with Franklin Credit Management Corporation ("Franklin").

3. On November 16, 2007, the Company shocked investors when it reported its 2007 fourth quarter financial and operating results. For the quarter, the Company stated that it expected to include a charge of up to $300 million, or $0.81 per share, to "replenish and build the allowance for loan and lease losses in support of the Franklin relationship." Additionally, the Company revealed that its $1.5 billion in loans to Franklin were being reassessed in terms of their "collectability." The Company stated that Franklin had inadequately addressed its loan loss reserves, and that Franklin's mortgages represented the underlying collateral for the Company's loans to Franklin. As a result, the Company reported a significant net loss for the fourth quarter 2007.

4. On this news, the Company's stock declined $1.33 per share, or 8.27 percent, to close on November 16, 2007 at $14.75 per share, on unusually heavy trading volume.

5. The Complaint alleges that, throughout the Class Period, defendants failed to disclose material adverse facts about the Company's financial well-being, business relationships, and prospects. Specifically, defendants failed to disclose or indicate the following: (1) that the

Company had failed to adequately and timely record reserves for losses from its exposure to subprime mortgages; (2) that the Company had failed to disclose the extent of its vulnerability to anticipated losses and defaults in its home loan portfolio; (3) that the Company lacked adequate internal and financial controls; and (4) that, as a result of the foregoing, the Company's statements about its financial well-being and future business prospects were lacking in any reasonable basis when made.

6. As a result of defendants' wrongful acts and omissions, and the precipitous decline in the market value of the Company's securities, Plaintiff and other Class Members have suffered significant losses and damages.

JURISDICTION AND VENUE

7. The claims asserted herein arise under and pursuant to Sections 10(b) and 20(a) of the Exchange Act, (15 U.S.C. §§ 78j(b) and 78t(a)), and Rule 10b-5 promulgated thereunder (17 C.F.R. § 240.10b-5).

8. This Court has jurisdiction over the subject matter of this action pursuant to Section 27 of the Exchange Act (15 U.S.C. § 78aa) and 28 U.S.C. § 1331.

9. Venue is proper in this Judicial District pursuant to Section 27 of the Exchange Act, 15 U.S.C. § 78aa and 28 U.S.C. § 1391(b). Many of the acts and transactions alleged herein, including the preparation and dissemination of materially false and misleading information, occurred in substantial part in this Judicial District. Additionally, Huntington's principal executive offices are located within this Judicial District.

10. In connection with the acts, conduct and other wrongs alleged in this Complaint, defendants, directly or indirectly, used the means and instrumentalities of interstate commerce, including but not limited to, the United States mails, interstate telephone communications and

the facilities of the national securities exchange.

PARTIES

11. Plaintiff, Michael Vecchio, as set forth in the accompanying certification, incorporated by reference herein, purchased Huntington's securities at artificially inflated prices during the Class Period and has been damaged thereby.

12. Defendant Huntington is a Maryland corporation with its principal executive offices located at 41 S. High St., Columbus, Ohio.

13. Defendant Thomas E. Hoaglin ("Hoaglin") was, at all relevant times, the Company's Chief Executive Officer ("CEO") and Chairman of the Board of Directors.

14. Defendant Donald R. Kimble ("Kimble") was, at all relevant times, the Company's Chief Financial Officer ("CFO"), Finance Director, Executive Vice President and Controller.

15. Defendant Marty E. Adams ("Adams") was, at all relevant times, the Company's President, Chief Operating Officer ("COO") and a member of the Board of Directors.

16. Defendants Hoaglin, Kimble and Adams are collectively referred to hereinafter as the "Individual Defendants." The Individual Defendants, because of their positions with the Company, possessed the power and authority to control the contents of Huntington's reports to the SEC, press releases and presentations to securities analysts, money and portfolio managers and institutional investors, i.e., the market. Each defendant was provided with copies of the Company's reports and press releases alleged herein to be misleading prior to, or shortly after, their issuance and had the ability and opportunity to prevent their issuance or cause them to be corrected. Because of their positions and access to material non-public information available to them, each of these defendants knew that the adverse facts specified herein had not been

disclosed to, and were being concealed from, the public, and that the positive representations which were being made were then materially false and misleading. The Individual Defendants are liable for the false statements pleaded herein, as those statements were each "group-published" information, the result of the collective actions of the Individual Defendants.

SUBSTANTIVE ALLEGATIONS

Background

17. Huntington is a regional bank holding company located in Columbus, Ohio. Huntington is the holding Company for The Huntington National Bank ("Huntington National"), and provides commercial and retail financial products and services. On July 1, 2007, Huntington acquired Sky Financial Group, Inc. ("Sky Financial") for $3.3 billion. As a result of the merger with Sky Financial, Huntington acquired more than $1.5 billion in exposure to subprime mortgages, but continuously assured investors that the Company was adequately prepared to deal with the deteriorating credit and real estate markets.

Materially False and Misleading Statements Issued During the Class Period

18. On July 19, 2007, the Company issued a press release detailing its second quarter 2007 financial results. Therein, the Company, in relevant part, stated:

> Huntington Bancshares Incorporated (NASDAQ: HBAN; www.huntington.com) reported 2007 second quarter earnings of $80.5 million, or $0.34 per common share. Results in the year-ago second quarter were $111.6 million, or $0.46 per common share.
>
> Earnings for the first six months of 2007 were $176.2 million, or $0.74 per common share, compared with $216.1 million, or $0.90 per common share, for the comparable year-ago period.
>
> Performance compared with the 2007 first quarter included:
>
> - $0.34 earnings per common share, down from $0.40 per common share in the prior quarter.

- ***Current quarter results were negatively impacted by higher loan loss provision expense, primarily related to two eastern Michigan credit relationships and one northern Ohio credit ($0.07 per common share); expenses related to the merger with Sky Financial Group, Inc. (Sky Financial), which closed July 1, 2007 ($0.02 per common share); and net market-related losses ($0.01 per common share).***

- 3.27% net interest margin, down from 3.36%.

- 12% annualized growth in average total commercial loans.

- 4% annualized decline in average total consumer loans.

- 13% annualized decline in average residential mortgages, reflecting the sale of $110 million of residential mortgages at the end of the first quarter.

- 5% annualized increase in average home equity loans.

- 4% annualized decline in average total automobile loans and leases, reflecting a decline in automobile leases, partially offset by strong growth in average automobile loans.

- 5% annualized increase in average total core deposits.

- 7% annualized growth in average non-interest bearing demand deposits.

- 9% annualized growth in average interest bearing demand deposits.

- Strong performance in core fee income categories, reflecting 12% growth in service charges on deposits accounts, 13% growth in other service charges and fees, and 7% growth in brokerage and insurance income.

- 1% increase in non-interest expense.

- 0.52% annualized net charge-offs, up 24 basis points.

- 1.15% period-end allowance for loan and lease losses (ALLL) ratio, up from 1.08%.

- 0.97% period-end non-performing asset (NPA) ratio, up from 0.79%.

- 6.82% period-end tangible common equity ratio, down from 7.06%.

"As we announced on July 9, the disappointing results for the quarter primarily reflected the need to build our loan loss reserves," said Thomas E. Hoaglin, chairman and chief executive officer. "Home builder markets in our footprint remain under pressure. This was especially true in eastern Michigan where the anticipated softness turned out to be much worse than expected. ***This past quarter we made the necessary credit adjustments based on the current condition of our loan portfolios and what we now expect. Yet, to the degree there remains continued pressure on businesses, we will address such issues aggressively and transparently."***

"While understandable, it is unfortunate that these issues overshadow the important progress we made this past quarter to improve the prospects of Huntington's performance," he continued. "Commercial loan growth was quite good. Performance in some of our key fee income activities was also quite strong. Underlying expenses were well controlled. While our net interest margin declined to 3.27%, much of the decline reflected the impact of higher non-accrual loans and seasonal factors. A testimony to our success in effective interest rate risk management is that for the last three and one-half years we have been able to maintain a net interest margin between 3.22%-3.38%."

"Rapid changes in market conditions can always impact short-term performance. What is important is that we remain focused on executing our plans to build the franchise, with the objective of producing better long-term performance. The Sky Financial Group merger that closed July 1 is a prime example. This merger solidifies our position in Ohio, greatly expands our presence in the Indianapolis market, and establishes western Pennsylvania as a new market. Customers will have access to more offices, ATMs, and products and services. Third quarter earnings performance will include the expected impacts of merger charges and expenses associated with integrating systems and making certain our customers have a smooth integration experience. Major systems conversions will occur in late September. We remain confident that the financial and customer benefits from this merger will be realized and quite visible in fourth quarter financial performance results," he concluded.

* * *

Provision for Credit Losses

The provision for credit losses in the 2007 second quarter was $60.1 million, up $44.4 million from the year-ago quarter, and up $30.7 million from the 2007 first quarter. The provision for credit losses in the 2007 second quarter exceeded same period net charge-offs by $25.6 million.

*   *   *

Credit Quality

Overall credit quality performance in the 2007 second quarter reflected significant increases in net charge-offs, non-performing loans (NPL), and allowances for credit losses (ACL). The net charge-off activity was directly impacted by losses associated with two single-family home builders in eastern Michigan. These two relationships, along with a C&I loan in northern Ohio, accounted for a significant portion of the increase in NPL's and the ACL. The residential real estate market in eastern Michigan continued to deteriorate during the quarter, reflecting a significant downturn in home sales activity. The Spring and early-Summer selling season is extremely important for home builders, and softness was expected. However, in the case of eastern Michigan, the impact turned out to be far worse than anticipated, particularly for the two noted relationships. The northern Ohio commercial credit was to an auto industry-related manufacturing company.

*   *   *

Allowances for Credit Losses (ACL)

We maintain two reserves, both of which are available to absorb probable credit losses: the allowance for loan and lease losses (ALLL) and the allowance for unfunded loan commitments and letters of credit (AULC). When summed together, these reserves constitute the total ACL.

At June 30, 2007, the ALLL was $307.5 million, up from $287.5 million a year earlier, and $24.5 million higher than $283.0 million at March 31, 2007. Expressed as a percent of period-end loans and leases, the ALLL ratio at June 30, 2007, was 1.15%, up from 1.09% a year ago, and up from 1.08% at March 31, 2007. The level of required loan loss reserves is determined using a highly quantitative methodology, which determines the required levels for both the transaction reserve and economic reserve components. Table 6 shows the change in the ALLL ratio and each reserve component for the 2007 second and first quarters and the 2006 second quarter.

*　　*　　*

The increase in the transaction reserve component reflected the impact of increasing monitored credits, primarily resulting from softness in the residential and commercial real estate markets in the Midwest. The three relationships noted in the prior comments represented over half of the additional required reserve, with the remaining increase associated with the proper and timely recognition of relationships meeting the monitored credit definition. Our reserve methodology is designed to increase the reserve levels as potential problems are identified. Although monitored credits increased during the quarter, on both an absolute and relative basis, they were consistent with the level of the year-ago quarter.

The ALLL as a percent of NPLs was 145% at June 30, 2007, down from 213% a year ago, and from 180% at March 31, 2007. The ALLL as a percent of NPAs was 118% at June 30, 2007, down from 168% a year ago, and from 137% at March 31, 2007. At June 30, 2007, the AULC was $41.6 million, up from $38.9 million at the end of the year-ago quarter, and from $40.5 million at March 31, 2007.

On a combined basis, the ACL as a percent of total loans and leases at June 30, 2007, was 1.30%, up from 1.24% a year ago, and up from 1.23% at March 31, 2007. The ACL as a percent of NPAs was 134% at June 30, 2007, down from 191% a year earlier and 157% at March 31, 2007.

Given the expectation of continued stress in commercial real estate markets, weak performance of the eastern Michigan and northern Ohio economies, as well as the increase in reserves recognized this quarter, the expectation is for moderate increases in the ALLL ratio over the second half of the year.

*　　*　　*

2007 OUTLOOK

When earnings guidance is given, it is the company's practice to do so on a GAAP basis, unless otherwise noted. Such guidance includes the expected results of all significant forecasted activities. However, guidance typically excludes selected items where the timing and financial impact is uncertain until the impact can be reasonably forecasted, and potential unusual or one-time items.

Our expectation is that the 2007 economic environment will continue to be negatively impacted by weakness in real estate markets and the automotive manufacturing and supplier sector. How much these factors will affect banking activities and overall credit quality trends is unknown. However, it is our expectation that any impact will be greatest in the eastern Michigan and northern Ohio markets. Interest rates are expected to remain relatively stable. We will continue to target our interest rate risk position at our customary neutral position.

Prior to the completion of the Sky Financial merger, our earnings per share guidance included its slightly accretive impact. However, its impact was excluded from other forward-looking performance assumptions. With the merger of Sky Financial completed on July 1, 2007, our 2007 full-year reported earnings per share guidance still includes its slightly accretive impact, but its impact is now also reflected in the assumptions listed below. All of the assumptions listed below, with the exception of net charge-offs, reflect 2007 second half expectations and are based on the estimated June 30, 2007, pro forma consolidated levels at the time of the merger close.

- Revenue growth in the low- to mid-single digit range, reflecting:
    - Net interest margin relatively consistent with the pro forma 2007 second quarter level for the combined company of approximately 3.50%.
    - Average total loan growth in the mid-single digit range, with total commercial loans in the mid- to upper-single digit range and total consumer loans being flat, reflecting continued softness in residential mortgages and home equity loans.
    - Core deposit growth in the low- to mid-single digit range.
    - Non-interest income growth in the mid- to higher-single digit range.
- Non-interest expense growth in the low single-digit range, excluding merger-related integration costs, as well as any merger-related cost savings. Merger-related integration costs for the second half of the year are estimated to be $50-$60 million. Annualized cost savings from the merger remain targeted at $115 million with most of the annualized benefit expected to be achieved in the fourth quarter.

- NPA levels are expected to rise, reflecting pressure from continued economic weakness in our markets, and resulting higher levels of monitored credits.

- Moderate increases in the ALLL ratio is expected from its current level, and the full-year net charge-off ratio is expected to remain at the mid-to-upper half of our 0.35%-0.45% targeted range.

- No sizable stock repurchase activity.

> ***Within this type of environment, and given the performance for the first six months of 2007, targeted full-year 2007 earnings are $1.68-$1.72 per common share, excluding merger-related integration costs. This earnings range reflects the impact of the higher shares from Sky Financial for the second half of the year, which results in the full-year earnings per share being approximately $0.04 higher than the sum of the four quarters; i.e., earnings for the second half of 2007 are targeted at $0.90-$0.94 per share, excluding merger-related integration costs.*** [Emphasis added.]

19. On September 24, 2007, the Company issued a press release entitled "Huntington Rolls Out the Green Carpet to Former Sky Customers." Therein, the Company, in relevant part, stated:

> Huntington Bancshares Incorporated (Nasdaq: HBAN) today announced that approximately 600,000 former Sky Bank consumer household and business accounts were successfully converted to Huntington during the weekend of September 21, resulting in more convenience and more product choices for customers.
>
> The change for Sky Bank customers results from the merger between Huntington and Sky Financial Group Inc. on July 1, 2007, and subsequent consolidation of Sky Bank into The Huntington National Bank effective at the close of business on September 21, 2007.
>
> "This merger not only provides expanded resources to our customers, but also represents an ideal combination. We have incorporated people and service offerings from both companies that allow us to meet the needs of our customers more effectively as one company," said Thomas Hoaglin, chairman and chief executive officer. "We began sharing information about the transition and the benefits of the acquisition with our customers

> several months ago with the goal of making this conversion as smooth as possible."
>
> * * *
>
> "We wanted customers to know that, as Huntington, the same associates they have come to know over the years will continue to help them with their financial needs," said Marty Adams, Huntington's new president and chief operating officer and formerly Sky Financial's chairman and chief executive officer. "We are pleased to now have access to expanded resources and locations to serve clients, while maintaining our commitment to our communities."

20. On October 18, 2007, the Company issued a press release announcing its third quarter 2007 financial results. Therein, the Company, in relevant part, stated:

> Huntington Bancshares Incorporated reported 2007 third quarter earnings of $138.2 million, or $0.38 per common share. Earnings in the year-ago third quarter were $157.4 million, or $0.65 per common share.
>
> Earnings in the current and year-ago quarters were impacted by several significant items (see Table 1). The 2007 third quarter earnings were negatively impacted by $0.09 per share, reflecting the combination of merger costs associated with the acquisition of Sky Financial Group, Inc. (Sky Financial) on July 1, 2007, and net market-related losses. In contrast, the year-ago quarter was positively impacted by a net $0.18 per common share, reflecting a reduction of federal income tax expense, partially offset by the negative impacts of a securities impairment related to a balance sheet restructuring initiative, as well as an adjustment for equity method investments.
>
> Earnings for the first nine months of 2007 were $314.4 million, or $1.12 per common share, compared with $373.5 million, or $1.56 per common share, for the comparable year-ago period.
>
> **Sky Financial Group, Inc. Acquisition Impact**
>
> ***The acquisition of Sky Financial on July 1, 2007, significantly affected reported results. Sky Financial was approximately half the size of Huntington before its acquisition. As such, its acquisition significantly increased the absolute levels of 2007 third quarter reported balance sheet items (e.g., loans, deposits, etc.), and income statement items (e.g., net interest income, non-***

interest income, non-interest expenses, and taxes). It also affected the relative level of other performance metrics such as the net interest margin, efficiency ratio, and credit performance metrics like reserve ratios, etc. To assist in understanding the impacts of the merger, as well as performance not attributable to the merger, when comparing 2007 third quarter performance to that of prior periods, the following terms are used:

- "Merger related" refers to amounts and percentage changes representing the estimated impact attributable to the merger (see the "Estimating the Impact on Balance Sheet and Income Statement Results Due to Acquisitions" section and Table 11 in the "Basis of Presentation" discussion at the end of this press release for details of the methodologies used and the reconciliation between reported results and estimates of non-merger related performance).

- "Merger costs" represent non-interest expenses associated primarily with merger integration activities.

- "Non-merger related" refers to estimated performance not attributable directly to the merger and includes:

    - "Merger efficiencies", which represent non-interest expense reductions realized as a result of the merger.

PERFORMANCE OVERVIEW

Performance compared with the 2007 second quarter included:

- \$0.38 earnings per common share, up from \$0.34 per common share in the prior quarter.

- Current quarter earnings were negatively impacted by \$0.09 per share, reflecting the combination of merger costs associated with the acquisition of Sky Financial and net market-related losses. The 2007 second quarter earnings were negatively impacted by \$0.03 per share, reflecting merger costs and net market-related losses.

- 3.52% net interest margin, consistent with expectations and up from 3.26%, primarily merger related.

- Strong growth in average total commercial loans with good growth in average total consumer loans.

- Good annualized non-merger related growth in average total deposits.

- Mixed non-merger related non-interest income performance. Strong non-merger related performance in service charges on deposit accounts and good growth in other service charges and fees. However, broker and insurance income on a non-merger related basis declined, primarily reflecting seasonal trends in brokerage as well as property and casualty insurance activities. The quarter also reflected $23.5 million of market-related losses, compared with $7.8 million of such losses in the 2007 second quarter.

- Significant decline in non-merger related total non-interest expense, reflecting the benefit of the achievement of over 70% of targeted total annualized merger efficiencies.

- 0.47% annualized net charge-offs, down 5 basis points.

- 1.14% period-end allowance for loan and lease losses (ALLL) ratio, down from 1.15%.

- 1.08% period-end non-performing asset (NPA) ratio, up from 0.97%, primarily reflecting $144.5 million of acquired NPAs, as well as a decision to classify $16.3 million of non-accruing investment securities as NPAs.

- 5.42% period-end tangible common equity ratio, down from 6.82%. This reduction reflected a combination of factors including the expected reduction due to the merger. About 17 basis points of the decline was attributable to a temporary increase in balances related to investment securities.

"The Sky Financial acquisition significantly impacted overall performance and materially affected comparisons of our third quarter performance to that in prior periods," said Thomas E. Hoaglin, chairman and chief executive officer. "Yet, when you adjust for all merger related impacts, underlying performance basically matched or exceeded our expectations. The only exception was our net market-related losses, which reflected the severity of market pricing volatility during the quarter. We believe we have appropriately addressed the valuation of our market-related assets, given where we are today and our current expectations.

"The major highlight of the quarter was the successful Sky Financial systems conversion over the September 22nd weekend,"

> he continued. "Accomplishing this conversion in less than 90 days after the merger closed was a significant accomplishment. It was an aggressive timetable and its success reflected a huge team effort and the culmination of endless hours of preparation. The fact that we were able to generate good loan and deposit growth at the same time we were going through the largest merger integration we have ever undertaken is a testimony to the unified spirit that focused every associate on the needs of our customers. Importantly, we also achieved over 70% of the targeted total annualized expense efficiencies in the third quarter. After considering all significant items and merger related impact, we estimate that our adjusted efficiency ratio for the quarter was just above our 50%-52% targeted range. We are also excited that, as a result of the merger, about 40% of our deposit base is now in markets where we have the number one market share. This portends well for our ability to grow earnings by focusing on serving our expanded customer base and actively pursuing the growth opportunities this merger affords us."
>
> "With all of the turmoil in credit markets, we were pleased with our underlying credit quality performance. Net charge-offs were a bit higher than expected, but this primarily reflected charge-offs on the three commercial credits for which we had already established reserves in the prior quarter. Our overall net charge-off outlook for the year has not changed materially. The non-merger related increase in the level of non-performing assets was also basically in line with our expectations, and we are pursuing opportunities that might permit us to move some of these off our balance sheet before the end of the year. The outlook for the fourth quarter is that non-performing loans will rise modestly as there remains pressure on businesses and consumers in our markets," he concluded. [Emphasis added]

21. The statements contained in ¶¶ 18 and 20 were materially false and misleading when made because defendants failed to disclose or indicate the following: (1) that the Company had failed to adequately and timely record reserves for losses from its exposure to subprime mortgages; (2) that the Company had failed to disclose the extent of its vulnerability to anticipated losses and defaults in its home loan portfolio; (3) that the Company lacked adequate internal and financial controls; and (4) that, as a result of the foregoing, the Company's

statements about its financial well-being and future business prospects were lacking in any reasonable basis when made.

The Truth Begins to Emerge

22. On November 16, 2007, the Company shocked investors when it issued a press release reporting its 2007 fourth quarter financial results. Therein, the Company, in relevant part, stated:

> ***As a result of the recently announced actions of Franklin Credit Management Corporation (NASDAQ:FCMC) and related deterioration in Franklin's mortgage portfolios, 2007 fourth quarter results for Huntington Bancshares Incorporated (NASDAQ: HBAN; www.huntington.com) are expected to include an after-tax charge of up to $300 million, or $0.81 per common share, to replenish and build the allowance for loan and lease losses in support of the Franklin relationship. As a result of this charge, Huntington will report a 2007 fourth quarter net loss.***
>
> "For over 17 years Sky Financial had a commercial lending relationship with Franklin Credit Management Corporation. This became our relationship when we acquired Sky Financial on July 1, 2007," said Thomas E. Hoaglin, chairman and chief executive officer. "Throughout this period the relationship continued to perform. ***At September 30, 2007, our loans to Franklin totaled $1.5 billion.*** All were performing and we had experienced no charge-offs. Even today, all loans are current."
>
> ***"We only recently learned of Franklin's actions to reassess the adequacy of their loan loss reserves" he continued. "Franklin's mortgages represent the underlying collateral for our loans to Franklin. As a result of this new information, we needed to reassess the collectability of the Franklin loans. This has caused us to act promptly to review our estimates of the value of the cash flows and embedded losses over the life of these mortgages. The actions we have announced today, we believe, fully address the issues embedded in our Franklin exposure. The fact that this will result in a net loss for the quarter is regrettable and upsetting. Yet, we must take whatever action is necessary to deal with this issue."***

* * *

Franklin Credit Management Announcement and Agreements with Huntington

After the market closed on November 15, 2007, Franklin Credit Management Corporation (NASDAQ:FCMC), a commercial loan customer of Huntington, announced it has delayed the release of its 2007 third quarter results and the filing of its 2007 third quarter Form 10-Q with the Securities and Exchange Commission (SEC). The Franklin 2007 third quarter Form 10-Q, originally scheduled to be filed with the SEC November 15, 2007, has been delayed to provide Franklin time to conduct a thorough review of the adequacy of its loan loss reserve. Franklin has also announced that it expects to complete its review, release its 2007 third quarter results, and file its 2007 third quarter Form 10-Q prior to December 31, 2007.

Franklin also announced that it expects its credit review will result in a substantial increase in its 2007 third quarter provision for loan losses due to increased delinquencies and the expectation of increased defaults and ultimate losses inherent in its portfolio as of September 30, 2007. Franklin also expects that this increase in its third quarter provision for credit losses will result in substantial negative stockholders' equity for them as of September 30, 2007.

Huntington has agreed with Franklin to waive the breach of Franklin's debt covenants for Franklin's failure to timely provide its financial statements. This waiver is in effect until the earlier of the filing of Franklin's 2007 third quarter Form 10-Q, or December 31, 2007. In consideration of this waiver, Franklin has agreed to pledge certain assets as additional security to Huntington.

Franklin has acknowledged that Huntington is under no obligation to grant additional waivers, and that if an accommodation with Huntington is not reached and additional waivers of Franklin's debt covenants are necessary and not granted, that Franklin's debt to Huntington could become immediately payable, resulting in Franklin's insolvency.

Huntington has suspended new loan origination and acquisition fundings for Franklin for the period of the review, and is under no obligation to resume funding Franklin's loan originations and acquisitions after the review is completed.

> All of Franklin's loans to Huntington are current with regard to principal and interest payments. [Emphasis added]

23. On this news, the Company's shares fell $1.33 per share, or 8.27 percent, to close on November 16, 2007 at $14.75 per share, on unusually heavy trading volume.

PLAINTIFF'S CLASS ACTION ALLEGATIONS

24. Plaintiff brings this action as a class action pursuant to Federal Rule of Civil Procedure 23(a) and (b)(3) on behalf of a Class, consisting of all those who purchased Huntington's securities between July 20, 2007 and November 16, 2007, inclusive (the "Class Period") and who were damaged thereby. Excluded from the Class are defendants, the officers and directors of the Company, at all relevant times, members of their immediate families and their legal representatives, heirs, successors or assigns and any entity in which defendants have or had a controlling interest.

25. The members of the Class are so numerous that joinder of all members is impracticable. Throughout the Class Period, Huntington's securities were actively traded on the NASDAQ. While the exact number of Class members is unknown to Plaintiff at this time and can only be ascertained through appropriate discovery, Plaintiff believes that there are hundreds or thousands of members in the proposed Class. Record owners and other members of the Class may be identified from records maintained by Huntington, or its transfer agent, and may be notified of the pendency of this action by mail, using the form of notice similar to that customarily used in securities class actions.

26. Plaintiff's claims are typical of the claims of the members of the Class as all members of the Class are similarly affected by defendants' wrongful conduct in violation of federal law that is complained of herein.

27. Plaintiff will fairly and adequately protect the interests of the members of the Class and has retained counsel competent and experienced in class and securities litigation.

28. Common questions of law and fact exist as to all members of the Class and predominate over any questions solely affecting individual members of the Class. Among the questions of law and fact common to the Class are:

(a) whether the federal securities laws were violated by defendants' acts as alleged herein;

(b) whether statements made by defendants to the investing public during the Class Period misrepresented material facts about the business, operations and management of Huntington; and

(c) to what extent the members of the Class have sustained damages and the proper measure of damages.

29. A class action is superior to all other available methods for the fair and efficient adjudication of this controversy since joinder of all members is impracticable. Furthermore, as the damages suffered by individual Class members may be relatively small, the expense and burden of individual litigation make it impossible for members of the Class to individually redress the wrongs done to them. There will be no difficulty in the management of this action as a class action.

UNDISCLOSED ADVERSE FACTS

30. The market for Huntington's securities was open, well-developed and efficient at all relevant times. As a result of these materially false and misleading statements, and failures to disclose, Huntington's securities traded at artificially inflated prices during the Class Period. Plaintiff and other members of the Class purchased or otherwise acquired Huntington's securities

relying upon the integrity of the market price of Huntington's securities and market information relating to Huntington, and have been damaged thereby.

31. During the Class Period, defendants materially misled the investing public, thereby inflating the price of Huntington's securities, by publicly issuing false and misleading statements and omitting to disclose material facts necessary to make defendants' statements, as set forth herein, not false and misleading. Said statements and omissions were materially false and misleading in that they failed to disclose material adverse information and misrepresented the truth about the Company, its business and operations, as alleged herein.

32. At all relevant times, the material misrepresentations and omissions particularized in this Complaint directly or proximately caused or were a substantial contributing cause of the damages sustained by Plaintiff and other members of the Class. As described herein, during the Class Period, defendants made or caused to be made a series of materially false or misleading statements about Huntington's financial well-being and prospects. These material misstatements and omissions had the cause and effect of creating in the market an unrealistically positive assessment of Huntington and its financial well-being and prospects, thus causing the Company's securities to be overvalued and artificially inflated at all relevant times. Defendants' materially false and misleading statements during the Class Period resulted in Plaintiff and other members of the Class purchasing the Company's securities at artificially inflated prices, thus causing the damages complained of herein.

LOSS CAUSATION

33. Defendants' wrongful conduct, as alleged herein, directly and proximately caused the economic loss suffered by Plaintiff and the Class.

34. During the Class Period, Plaintiff and the Class purchased Huntington's securities

at artificially inflated prices and were damaged thereby. The price of Huntington's securities significantly declined when the misrepresentations made to the market, and/or the information alleged herein to have been concealed from the market, and/or the effects thereof, were revealed, causing investors' losses.

SCIENTER ALLEGATIONS

35. As alleged herein, defendants acted with scienter in that defendants knew that the public documents and statements issued or disseminated in the name of the Company were materially false and misleading; knew that such statements or documents would be issued or disseminated to the investing public; and knowingly and substantially participated or acquiesced in the issuance or dissemination of such statements or documents as primary violations of the federal securities laws. As set forth elsewhere herein in detail, defendants, by virtue of their receipt of information reflecting the true facts regarding Huntington, their control over, and/or receipt and/or modification of Huntington's allegedly materially misleading misstatements and/or their associations with the Company which made them privy to confidential proprietary information concerning Huntington, participated in the fraudulent scheme alleged herein.

Applicability of Presumption of Reliance: Fraud On The Market Doctrine

36. At all relevant times, the market for Huntington's securities was an efficient market for the following reasons, among others:

(a) Huntington's securities met the requirements for listing, and were listed and actively traded on the NASDAQ, a highly efficient and automated market;

(b) As a regulated issuer, Huntington filed periodic public reports with the

SEC and the NASDAQ;

(c) Huntington regularly communicated with public investors via established market communication mechanisms, including through regular disseminations of press releases on the national circuits of major newswire services and through other wide-ranging public disclosures, such as communications with the financial press and other similar reporting services; and

(d) Huntington was followed by several securities analysts employed by major brokerage firms who wrote reports which were distributed to the sales force and certain customers of their respective brokerage firms. Each of these reports was publicly available and entered the public marketplace.

37. As a result of the foregoing, the market for Huntington's securities promptly digested current information regarding Huntington from all publicly-available sources and reflected such information in the price of Huntington's securities. Under these circumstances, all purchasers of Huntington's securities during the Class Period suffered similar injury through their purchase of Huntington's securities at artificially inflated prices and a presumption of reliance applies.

NO SAFE HARBOR

38. The statutory safe harbor provided for forward-looking statements under certain circumstances does not apply to any of the allegedly false statements pleaded in this Complaint. Many of the specific statements pleaded herein were not identified as "forward-looking statements" when made. To the extent there were any forward-looking statements, there were no

meaningful cautionary statements identifying important factors that could cause actual results to differ materially from those in the purportedly forward-looking statements. Alternatively, to the extent that the statutory safe harbor does apply to any forward-looking statements pleaded herein, defendants are liable for those false forward-looking statements because at the time each of those forward-looking statements was made, the particular speaker knew that the particular forward-looking statement was false, and/or the forward-looking statement was authorized and/or approved by an executive officer of Huntington who knew that those statements were false when made.

FIRST CLAIM
Violation of Section 10(b) of The Exchange Act and Rule 10b-5 Promulgated Thereunder Against All Defendants

39. Plaintiff repeats and realleges each and every allegation contained above as if fully set forth herein.

40. During the Class Period, defendants carried out a plan, scheme and course of conduct which was intended to and, throughout the Class Period, did: (i) deceive the investing public, including Plaintiff and other Class members, as alleged herein; and (ii) cause Plaintiff and other members of the Class to purchase Huntington's securities at artificially inflated prices. In furtherance of this unlawful scheme, plan and course of conduct, defendants, and each of them, took the actions set forth herein.

41. Defendants (i) employed devices, schemes, and artifices to defraud; (ii) made untrue statements of material fact and/or omitted to state material facts necessary to make the statements not misleading; and (iii) engaged in acts, practices, and a course of business which operated as a fraud and deceit upon the purchasers of the Company's securities in an effort to maintain artificially high market prices for Huntington's securities in violation of Section 10(b)

of the Exchange Act and Rule 10b-5. All defendants are sued either as primary participants in the wrongful and illegal conduct charged herein or as controlling persons as alleged below.

42. Defendants, individually and in concert, directly and indirectly, by the use, means or instrumentalities of interstate commerce and/or of the mails, engaged and participated in a continuous course of conduct to conceal adverse material information about Huntington's financial well-being and prospects, as specified herein.

43. These defendants employed devices, schemes and artifices to defraud, while in possession of material adverse non-public information and engaged in acts, practices, and a course of conduct as alleged herein in an effort to assure investors of Huntington's value and performance and continued substantial growth, which included the making of, or the participation in the making of, untrue statements of material facts and omitting to state material facts necessary in order to make the statements made about Huntington and its future prospects in light of the circumstances under which they were made, not misleading, as set forth more particularly herein, and engaged in transactions, practices and a course of business which operated as a fraud and deceit upon the purchasers of Huntington's securities during the Class Period.

44. Each of the Individual Defendants' primary liability, and controlling person liability, arises from the following facts: (i) the Individual Defendants were high-level executives and/or directors at the Company during the Class Period and members of the Company's management team or had control thereof; (ii) each of these defendants, by virtue of their responsibilities and activities as a senior officer and/or director of the Company, was privy to and participated in the creation, development and reporting of the Company's internal budgets, plans, projections and/or reports; (iii) each of these defendants enjoyed significant personal contact and

familiarity with the other defendants and was advised of, and had access to, other members of the Company's management team, internal reports and other data and information about the Company's finances, operations, and sales at all relevant times; and (iv) each of these defendants was aware of the Company's dissemination of information to the investing public which they knew or recklessly disregarded was materially false and misleading.

45. The defendants had actual knowledge of the misrepresentations and omissions of material facts set forth herein, or acted with reckless disregard for the truth in that they failed to ascertain and to disclose such facts, even though such facts were available to them. Such defendants' material misrepresentations and/or omissions were done knowingly or recklessly and for the purpose and effect of concealing Huntington's financial well-being and prospects from the investing public and supporting the artificially inflated price of its securities. As demonstrated by defendants' overstatements and misstatements of the Company's financial well-being and prospects throughout the Class Period, defendants, if they did not have actual knowledge of the misrepresentations and omissions alleged, were reckless in failing to obtain such knowledge by deliberately refraining from taking those steps necessary to discover whether those statements were false or misleading.

46. As a result of the dissemination of the materially false and misleading information and failure to disclose material facts, as set forth above, the market price of Huntington's securities was artificially inflated during the Class Period. In ignorance of the fact that market prices of Huntington's securities were artificially inflated, and relying directly or indirectly on the false and misleading statements made by defendants, or upon the integrity of the market in which the securities trades, and/or in the absence of material adverse information that was known to or recklessly disregarded by defendants, but not disclosed in public statements by defendants

during the Class Period, Plaintiff and the other members of the Class acquired Huntington's securities during the Class Period at artificially high prices and were damaged thereby.

47. At the time of said misrepresentations and omissions, Plaintiff and other members of the Class were ignorant of their falsity, and believed them to be true. Had Plaintiff and the other members of the Class and the marketplace known the truth regarding the problems that Huntington was experiencing, which were not disclosed by defendants, Plaintiff and other members of the Class would not have purchased or otherwise acquired their Huntington securities, or, if they had acquired such securities during the Class Period, they would not have done so at the artificially inflated prices which they paid.

48. By virtue of the foregoing, defendants have violated Section 10(b) of the Exchange Act and Rule 10b-5 promulgated thereunder.

49. As a direct and proximate result of defendants' wrongful conduct, Plaintiff and the other members of the Class suffered damages in connection with their respective purchases and sales of the Company's securities during the Class Period.

SECOND CLAIM
Violation of Section 20(a) of The Exchange Act Against the Individual Defendants

50. Plaintiff repeats and realleges each and every allegation contained above as if fully set forth herein.

51. The Individual Defendants acted as controlling persons of Huntington within the meaning of Section 20(a) of the Exchange Act as alleged herein. By virtue of their high-level positions, and their ownership and contractual rights, participation in and/or awareness of the Company's operations and/or intimate knowledge of the false financial statements filed by the Company with the SEC and disseminated to the investing public, the Individual Defendants had

the power to influence and control and did influence and control, directly or indirectly, the decision-making of the Company, including the content and dissemination of the various statements which Plaintiff contends are false and misleading. The Individual Defendants were provided with or had unlimited access to copies of the Company's reports, press releases, public filings and other statements alleged by Plaintiff to be misleading prior to and/or shortly after these statements were issued and had the ability to prevent the issuance of the statements or cause the statements to be corrected.

52. In particular, each of these defendants had direct and supervisory involvement in the day-to-day operations of the Company and, therefore, is presumed to have had the power to control or influence the particular transactions giving rise to the securities violations as alleged herein, and exercised the same.

53. As set forth above, Huntington and the Individual Defendants each violated Section 10(b) and Rule 10b-5 by their acts and omissions as alleged in this Complaint. By virtue of their positions as controlling persons, the Individual Defendants are liable pursuant to Section 20(a) of the Exchange Act. As a direct and proximate result of defendants' wrongful conduct, Plaintiff and other members of the Class suffered damages in connection with their purchases of the Company's securities during the Class Period.

WHEREFORE, Plaintiff prays for relief and judgment, as follows:

(a) Determining that this action is a proper class action under Rule 23 of the Federal Rules of Civil Procedure;

(b) Awarding compensatory damages in favor of Plaintiff and the other Class members against all defendants, jointly and severally, for all damages sustained as a result of defendants' wrongdoing, in an amount to be proven at trial, including interest thereon;

(c) Awarding Plaintiff and the Class their reasonable costs and expenses incurred in this action, including counsel fees and expert fees; and

(d) Such other and further relief as the Court may deem just and proper.

JURY TRIAL DEMANDED

Plaintiff hereby demands a trial by jury.

Dated: January 18, 2008

Respectfully submitted,

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