

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK

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JEFF PERRY and SCOTT P. COLE, On Behalf of	:	
All Others Similarly Situated,	:	Civil Action No. 10 CIV 7235 (GBD)
	:	
Plaintiffs,	:	ECF CASE
	:	
vs.	:	
	:	
DUOYUAN PRINTING, INC., WENHUA GUO,	:	
XIQING DIAO, BAIYUN SUN, WILLIAM D.	:	
SUH, CHRISTOPHER P. HOLBERT, LIANJUN	:	
CAI, PUNAN XIE, JAMES ZHANG, PIPER	:	
JAFFRAY & CO., AND ROTH CAPITAL	:	
PARTNERS, INC.	:	
	:	
Defendants.	:	

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**STIPULATION AND AGREEMENT OF SETTLEMENT WITH PIPER JAFFRAY & CO. AND ROTH CAPITAL PARTNERS, INC.**

This stipulation and agreement of settlement dated as of June 30, 2014 (the “Settlement Stipulation”) is submitted pursuant to Rule 23 of the Federal Rules of Civil Procedure. Subject to the approval of the Court, this Settlement Stipulation is entered into by Lead Plaintiffs Joseph E. Sciarro, Scott P. Cole, and Richard Pearson individually and on behalf of the proposed Settlement Class (defined herein), and by Defendants Piper Jaffray & Co., and Roth Capital Partners, Inc., (“Settling Defendants”), all in the above captioned action (Lead Plaintiffs and Settling Defendants are collectively the “Settling Parties”), by and through their respective counsel.

This Settlement Stipulation is intended by the Settling Parties to fully and finally compromise, resolve, discharge and settle the Released Claims, as defined herein, subject to the terms and conditions set forth below and final approval of the Court.

WHEREAS:

A. Beginning on September 20, 2010, a Class Action Complaint against Duoyuan Printing, Inc., (“DYP”), Wenhua Guo (“Guo”), Xiqing Diao (“Diao”), Baiyun Sun (“Sun”), William D. Suh (“Suh”), Christopher P. Holbert (“Holbert”), Lianjun Cai (“Cai”), Punan Xie (“Xie”), and James Zhang (“Zhang”), and DYP’s underwriters (Piper Jaffray & Co. and Roth Capital Partners, LLC), alleging violations of federal securities laws, was filed (“First Complaint”).

B. By Order dated January 19, 2011, the Court appointed: (i) Scott P. Cole, Joseph E. Sciarro, and Richard Pearson as Lead Plaintiffs; and (ii) The Rosen Law Firm P.A. and Pomerantz Haudek Grossman & Gross LLP (now known as Pomerantz LLP) as Lead Counsel.

C. Plaintiffs filed an Amended Class Action Complaint on February 16, 2012 (“Complaint”), against the same Defendants as in the First Complaint, as well as Frazer, LLP, (“Frazer”) alleging: violations of Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5 promulgated thereunder against Defendants DYP, Guo, Holbert, Suh, and Frazer; violations of Sections 11 and 12 of the Securities Act of 1933 against all Defendants except for Defendant Sun; and violations of Section 20(a) of the Exchange Act and Section 15 of the Securities Act against all Defendants except for DYP, the Underwriters, and Frazer.

D. On June 28, 2013 Plaintiffs and Defendants Guo, Diao, Holbert, Cai, Xie, and Suh filed a partial settlement agreement that settled all claims against them and additionally released the claims against Defendants Sun and Zhang (the “DYP Settlement”).

E. On August 22, 2013, the Court dismissed all claims asserted by Plaintiffs against Frasier, and denied the Settling Defendants’ motion to dismiss.

F. On September 5, 2013, Settling Defendants filed cross-claims against Cai, Diao, DYP, Frazer, Guo, Holbert, Suh, Sun, Xie and Zhang (the “Cross-claims”).

G. The DYP Settlement, to which the Settling Defendants objected, was approved and partial final judgment was entered on November 27, 2013. Settling Defendants appealed the final judgment approving the DYP Settlement on December 26, 2013.

F. Lead Counsel, on behalf of Plaintiffs, has investigated the allegations of wrongdoing asserted and the alleged damages suffered by the Class. Lead Counsel has analyzed the facts and the applicable law with respect to the claims against the Settling Defendants, and the potential defenses thereto, which in Lead Plaintiffs' judgment has provided an adequate and satisfactory basis for the Settlement described herein.

#### **Settlement Negotiations**

G. The Settling Parties participated in an extensive mediation process using a nationally recognized mediator, Hon. Layn R. Phillips (Ret.), including an all-day mediation session in-person on May 25, 2012, and continued to negotiate at arm's length thereafter with respect to a compromise and settlement of the Litigation.

#### **Settling Defendants' Denials of Wrongdoing and Liability**

H. Settling Defendants have denied, and continue to deny, each and every claim and contention alleged by Lead Plaintiffs in the Litigation. Settling Defendants have expressly denied, and continue to deny, all charges of wrongdoing or liability against them arising out of any of the conduct, statements, acts or omissions alleged, or that could have been alleged, in the Litigation. Settling Defendants believe that Lead Plaintiffs' allegations of fraud and statutory liability have no merit and that a class could not be certified under Rule 23. Settling Defendants also have denied, and continue to deny, *inter alia*, the allegations that Lead Plaintiffs or the Class have suffered damage, that the price of DYP common stock was artificially inflated due to alleged misrepresentations, omissions or otherwise, or that Lead Plaintiffs or the Class were harmed by the conduct alleged in the Litigation.

I. Nonetheless, Settling Defendants have concluded that further conduct of the Litigation would be protracted and expensive, and that it is desirable that the Litigation be fully and finally settled as between Lead Plaintiffs, the Class, and Settling Defendants, in the manner and upon the terms and conditions set forth in this Stipulation. Settling Defendants also have taken into account the uncertainty and risks inherent in any litigation, especially in complex cases like the Litigation. Settling Defendants, therefore, have determined that it is desirable and beneficial to them to fully and finally resolve the Litigation against them in the manner and upon the terms and conditions set forth in this Stipulation.

**Benefits of the Settlement to the Class**

J. Lead Plaintiffs and Lead Counsel believe that the Settlement provides an excellent monetary recovery for the Class (as defined below) based on the claims asserted, the evidence developed and the damages that might be proven by the Class in the Litigation.

K. Lead Counsel, on behalf of Lead Plaintiffs, further recognizes and acknowledges the expense and length of continued proceedings necessary to prosecute the Litigation through trial and appeal. Lead Counsel also has considered the uncertain outcome and the risk of any litigation, including the risk that plaintiffs might recover nothing, especially in a complex action such as this one, as well as the difficulties and delays inherent in any such litigation. Lead Counsel is also mindful of the inherent problems of proof and possible defenses to the federal securities law violations asserted against Settling Defendants, including the Litigation being certified as a class action, and therefore believe that it is desirable that the Released Claims (as defined below) be fully and finally compromised, settled and resolved as set forth herein. Based upon their evaluation, Lead Counsel, on behalf of Lead Plaintiffs, has determined that the Settlement set forth in this Settlement Stipulation is fair, reasonable and adequate and in the best interests of Lead Plaintiffs and the Class.

NOW THEREFORE, without any admission or concession on the part of Lead Plaintiffs or Lead Counsel of any lack of merit of the Litigation, and without any admission or concession of any liability or wrongdoing or lack of merit in the defenses whatsoever by Settling Defendants, it is hereby STIPULATED AND AGREED, by and among the Settling Parties, through their respective attorneys, subject to approval of the Court pursuant to Rule 23(e) of the Federal Rules of Civil Procedure, the Private Securities Litigation Reform Act of 1995 (“PSLRA”) and other conditions set forth herein, in consideration of the benefits flowing to the Settling Parties, that the Litigation and all Released Claims (as defined below) as against the Settling Defendants (as defined below) shall be finally and fully compromised, settled, released and dismissed, on the merits and with prejudice, in the manner and upon and subject to the terms and conditions set forth herein.

**Certain Definitions**

1. The following capitalized terms used in this Settlement Stipulation shall have the meanings specified below:

(a) “Authorized Claimant” means any Class Member (as defined below) whose claim for recovery has been allowed pursuant to the terms of this Settlement Stipulation.

(b) “Claim” means the submission to be made by Class Members, on the Proof of Claim form attached hereto as Exhibit A-2, or as may be required by the Court.

(c) “Claims Administrator” means Strategic Claims Services, the firm which Lead Counsel requests be appointed by the Court to administer the Settlement and disseminate notice to the Class. Lead Counsel represents and warrants that Strategic Claims Services is unrelated to Lead Counsel and all other plaintiffs’ counsel with whom Lead Counsel may share fees and expenses in this matter.

(d) “Class” means the class that is certified by the Court for the limited purposes of settlement of the Litigation. Included in such Class are all those who: (1) purchased or otherwise acquired the common stock of DYP pursuant and/or traceable to DYP’s Registration Statement and Prospectus (the “Registration Statement”) issued in connection with DYP’s initial public offering of stock on November 6, 2009 (the “IPO”); or (2) purchased or otherwise acquired DYP common stock from November 6, 2009 to March 28, 2011, both dates inclusive. Excluded from the Class are the Defendants, any members of Defendants’ immediate families, any entity in which any Defendant has a controlling interest, directors and officers of DYP, and the affiliates, legal representatives, heirs, predecessors, successors and assigns of any such excluded party. Also excluded from the Class are all of the Selling Shareholders listed and defined as such in the above-referenced Registration Statement with respect to any of the shares beneficially owned and acquired prior to the November 6, 2009 IPO.

(e) “Class Members” means Persons (defined below) who are members of the Class who do not timely and properly exclude themselves therefrom.

(f) “Defendants” are Duoyuan Printing, Inc., Wenhua Guo, Xiqing Diao, Baiyun Sun, William D. Suh, Christopher P. Holbert, Lianjun Cai, Punan Xie, James Zhang, Piper Jaffray & Co., and Roth Capital Partners, Inc.

(g) “Court” means the United States Court for the Southern District of New York.

(h) “Effective Date” means the first day following the date on which the Settlement contemplated by this Settlement Stipulation shall become effective as set forth in ¶ 29 below.

(i) “Escrow Account” means the interest-bearing account established pursuant to ¶¶ 6-7 herein.

(j) “Escrow Agent” means the Claims Administrator. The Escrow Agent shall perform the duties set forth in this Settlement Stipulation.

(k) “Final Approval” means the date of the entry of the Order and Final Judgment (defined below) by the Court in the Litigation approving (i) the Settlement and (ii) the release of the Released Claims as to the Settling Defendants as fair, adequate and reasonable; and dismissing the claims of the Lead Plaintiffs and the Class against the Settling Defendants, with prejudice and the expiration of any time for appeal or review of the Order and Final Judgment, or, if any appeal is filed and not dismissed, after the Order and Final Judgment is upheld on appeal in all material respects and is no longer subject to review upon appeal or review by certiorari or otherwise, and the time for any petition for reargument, appeal or review, by certiorari or otherwise, has expired; or, in the event that the Court enters an order and final judgment in a form other than that provided above (“Alternative Judgment”) and none of the parties hereto elect to terminate this Settlement, the date that such Alternative Judgment becomes final and no longer subject to appeal or review by certiorari or otherwise, and the time for any petition for reargument, appeal or review, by certiorari or otherwise, has expired.

(l) “Lead Counsel” means The Rosen Law Firm, P.A. and Pomerantz LLP, selected by Lead Plaintiffs and appointed by the Court to represent the interests of Lead Plaintiffs and the Class.

(m) “Lead Plaintiffs” means Joseph E. Sciarro, Scott P. Cole, and Richard Pearson, appointed by the Court as Lead Plaintiffs for the Litigation. (n) “Net Settlement Fund” shall have the meaning set forth in ¶ 5 herein.

(o) “Order and Final Judgment” means the order(s) and final judgment(s) to be entered in the Litigation pursuant to ¶ 30 of this Settlement Stipulation and substantially in the form of Exhibit B hereto.

(p) “Person” and “Persons” means any individual, corporation, partnership, association, affiliate, joint stock company, estate, trust, unincorporated association, entity, government and any political subdivision thereof, or any other type of business or legal entity, any legal representative, and their spouses, heirs, predecessors, successors, representatives, agents, or assignees.

(q) “Plan of Allocation” means the plan for allocating the Net Settlement Fund (as set forth in the Notice of Pendency and Proposed Settlement of Class Action) to Authorized Claimants after payment of expenses of notice and administration of the Settlement, Taxes and Tax Expenses and such attorneys’ fees, costs and expenses as may be awarded by the Court.

(r) “Settling Defendants” means Piper Jaffray & Co and Roth Capital Partners, Inc.

(s) “Settling Parties” means Lead Plaintiffs and Settling Defendants.

(t) “Preliminary Order” means the Proposed Order Preliminarily Approving Settlement and Providing for Notice that Lead Counsel and Settling Defendants will seek from the Court, substantially in the form attached as Exhibit A and as described in ¶ 29 below.

(u) “Publication Notice” means the summary notice of pendency and proposed settlement for publication substantially in the form attached as Exhibit A-3.

(v) “Released Claims” means any and all claims, debts, demands, rights, liabilities and causes of action, known or Unknown (as defined in ¶ 1(dd)), asserted in the Litigation by Lead Plaintiffs or any Class Member against any of the Settling Defendants or that might have been asserted by Lead Plaintiffs or any Class Member against any of the Settling Defendants in any forum, arising out of, based upon or related to their purchase of DYP common stock during the Class Period or the allegations, transactions, facts, matters, events, acts, representations or omissions asserted, set forth, or referred to in the Litigation.

(w) “Settlement” means the settlement as set forth in this Settlement Stipulation.

(x) “Settlement Amount” means \$1,893,750.

(y) “Settlement Fund” means the payment made pursuant to ¶ 4 herein.

(z) “Settlement Hearing” means the final hearing to be held by the Court to determine: (1) whether the proposed Settlement should be approved as fair, reasonable and adequate; (2) whether all Released Claims should be dismissed with prejudice; (3) whether an order approving the Settlement should be entered thereon; and (4) whether the allocation of the Settlement Fund should be approved.

(aa) “Settlement Notice” means the Notice of Pendency and Settlement of Class Action which is to be sent to Class Members substantially in the form attached hereto as Exhibit A-1.

(bb) “Taxes” means any taxes due and payable with respect to the income earned by the Settlement Fund, including any interest or penalties thereon.

(cc) “Tax Expenses” means any expenses and costs incurred in connection with the payment of Taxes (including, without limitation, expenses of tax attorneys and/or accountants and expenses relating to the filing or failure to file all necessary or advisable tax returns).

(dd) “Unknown Claims” means any and all Released Claims that Lead Plaintiffs or any Class Member does not know or suspect to exist in his, her or its favor at the time of the release of the Settling Defendants. With respect to any and all Released Claims, the parties stipulate and agree that upon the Effective Date, Lead Plaintiffs shall expressly, and each Class Member shall be deemed to have, and by operation of the Order and Final Judgment shall have, expressly waived any and all provisions, rights and benefits conferred by any law of any state or territory of the United States, or principle of common law, which is similar, comparable or equivalent to Cal. Civ. Code § 1542, which provides:

A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor.

Lead Plaintiffs and Settling Defendants acknowledge, and Class Members by operation of law shall be deemed to have acknowledged, that the inclusion of “Unknown Claims” in the definition of Released Claims was separately bargained for and was a key element of the Settlement.

(ee) “Settling Defendants’ Counsel” means the law firm of Faegre, Baker, & Daniels, LLP.

(ff) “Litigation” means the instant action commenced on September 20, 2010 by the filing of the first complaint and as amended on February 16, 2012.

**SCOPE AND EFFECT OF SETTLEMENT**

2. The obligations incurred pursuant to this Settlement Stipulation shall be in full and final disposition of the Litigation as against Settling Defendants and any and all Released Claims as against all Settling Defendants.

3. (a) Upon the Effective Date of this Settlement, Class Members (including but not limited to any Class Member who is a party to any other action, arbitration or other proceeding who is asserting claims related to the Released Claims against any of the Settling Defendants that are pending on the day of Final Approval) on behalf of themselves, their heirs, joint tenants, tenants in common, beneficiaries, executors and administrators, successors, attorneys, insurers and assigns, and any person they represent, shall release and shall be deemed to have released, dismissed and forever discharged the Released Claims against each and all of the Settling Defendants, with prejudice and on the merits, without costs to any party.

(b) Lead Plaintiffs and all Class Members, whether or not any such person submits a Proof of Claim, or otherwise shares in the Settlement Fund, on behalf of themselves and each of their predecessors, successors, assigns, personal representatives, affiliates, heirs and any other person who purports to claim through them, will be deemed by this Settlement to release and forever discharge the Settling Defendants, their affiliates, representatives, agents, officers and directors, successors, attorneys, insurers and assigns, from any and all of the Released Claims. As of the Effective Date, Lead Plaintiffs and all Class Members and anyone claiming through or on behalf of any of them, are forever barred and enjoined from commencing, instituting, prosecuting or continuing to prosecute any action or other proceeding in any court of law or equity, arbitration tribunal, administrative forum, or other forum of any kind, asserting against any of the Settling Defendants, their affiliates, representatives, agents, officers and

directors, successors, attorneys, insurers and assigns, and each of them, any of the Released Claims.

(c) Upon the Effective Date of the Settlement, all claims for contractual contribution, or other contribution or indemnification, except claims for any contractual right for advancement and reimbursement for costs and fees incurred in defending the Litigation, by other alleged joint tortfeasors, or their related parties, against any of the Settling Defendants based upon, arising out of, relating to, or in connection with the Released Claims of the Class or any Class Member are thereby barred, extinguished, discharged, satisfied and otherwise rendered unenforceable to the full extent permitted by law, and the future filing of any such claims enjoined.

(d) Settling Defendants, including any and all of their respective successors in interest, predecessors, representatives, trustees, executors, administrators, heirs, assigns or transferees, immediate and remote, and any person or entity acting for or on behalf of, or claiming under any of them, and each of them, will be deemed by this Settlement to release and forever discharge Lead Plaintiffs, Named Plaintiffs, Class Members, and all Plaintiffs' counsel in the Litigation from any and all known claims, or Unknown Claims arising out of or relating to their filing, prosecution or settlement of the Litigation, except for claims to enforce the Settlement. As of the Effective Date, Settling Defendants are forever barred and enjoined from commencing, instituting, prosecuting or continuing to prosecute any action or other proceeding in any court of law or equity, arbitration tribunal, administrative forum, or other forum of any kind, asserting any such known claims or Unknown Claims arising out of or relating to their filing, prosecution or settlement of the Litigation, except for claims to enforce the Settlement, against Lead Plaintiffs, Named Plaintiffs, Class Members or any Plaintiffs' Counsel.

**THE SETTLEMENT CONSIDERATION**

4. In full and complete settlement of the Released Claims, Settling Defendants have agreed to pay the Settlement Amount. Settling Defendants shall pay the Settlement Amount through their escrow agent (the “Settling Defendants’ Escrow Agent”) on or before twenty (20) calendar days following the date of the entry of the Preliminary Order, into the Escrow Account established for the Settlement Fund by Lead Counsel and the Escrow Agent for the benefit of the Class Members.

5. The Settlement Fund, net of any Taxes and Tax Expenses, shall be used to pay: 1) the notice and administration costs referred to in ¶ 6 hereof, 2) the attorneys’ fee and expense award referred to in ¶¶ 14-17 hereof, and 3) the remaining administration expenses referred to in ¶¶ 9, 19 hereof. The balance of the Settlement Fund after the above payments shall be the “Net Settlement Fund,” which shall be distributed to the Authorized Claimants as provided in ¶¶ 18-28 hereof. All costs and expenses incurred by or on behalf of the Lead Plaintiffs and the Class associated with the Settlement and approved by the Court, including the attorneys’ fee and expense award referred to in ¶¶ 14-17 hereof, shall be paid from the Settlement Fund and in no event shall any of the Settling Defendants bear any further or additional responsibility for any such costs or expenses beyond payment of the Settlement Amount.

6. Following payment of the Settlement Amount into the Escrow Account, as described in ¶ 4, the Escrow Agent shall be permitted to pay up to \$50,000 of the Settlement Fund to the Claims Administrator for reasonable out-of-pocket costs in connection with providing notice of the Settlement to the Class (“Notice”) and for other reasonable out-of-pocket administrative expenses (the “Notice and Administration Fund”) without further Court order.

7. Upon written agreement of the Settling Parties, or order of the Court, additional amounts may be transferred from the Settlement Fund to the Notice and Administration Fund. The Escrow Agent shall not disburse funds from the Notice and Administration Fund except as provided in this Settlement Stipulation, or by an order of the Court, or with the written agreement of counsel for all Settling Parties. All funds held by the Escrow Agent shall be deemed to be in the custody of the Court and such funds shall remain subject to the jurisdiction of the Court until such time as the funds shall be distributed or returned to the Settling Defendants pursuant to this Stipulation and/or further order of the Court. The Escrow Agent shall hold the funds in an interest-bearing bank account insured by the FDIC and/or United States Agency or Treasury securities or obligations. Settling Defendants and their insurer shall not be liable for the loss of any portion of the Settlement Fund.

8. Upon the payment of the Settlement Fund or any portion thereof, the Settling Parties agree to treat the Settlement Fund as a Qualified Settlement Fund within the meaning of Treasury Regulation § 1.468B-1 and the Claims Administrator shall be responsible for timely making such elections as are necessary or advisable to carry out the provisions of this paragraph, including but not limited to the relation-back election (as defined in Treasury Reg. § 1.468B-1) to the earliest permitted date. Such elections shall comply with the procedures and requirements contained in such Regulations. Additionally, it shall be the responsibility of the Claims Administrator to prepare and deliver the necessary documentation for signature by all necessary parties, and thereafter to cause the appropriate filing(s) to occur. The Claims Administrator, Escrow Agent, and Lead Counsel, as required, shall do all things that are necessary or advisable to carry out the provisions of this paragraph and Settling Defendants shall reasonably cooperate with the Claims Administrator, Escrow Agent, and Lead Counsel to carry out the provisions of this paragraph.

9. All Taxes (including any interest or penalties) arising with respect to the income earned by the Settlement Fund after the Settlement Amount is paid into a segregated account, including any Taxes or Tax detriments that may be imposed upon Settling Defendants with respect to any income earned by the Settlement Fund for any period during which the Settlement Fund does not qualify as a “qualified settlement fund” (limited by the amount of simple interest earned on the Settlement Fund at the LIBOR and not any higher interest rate that Settling Defendants may earn on the Settlement Fund) for Federal or state income tax purposes and all Tax Expenses shall be considered to be a cost of administration of the Settlement and shall be paid out of the Settlement Fund. The Settling Defendants shall not have any liability or responsibility for any such Taxes or Tax Expenses. The Settlement Fund shall indemnify and hold each of the Settling Defendants harmless for Taxes and Tax Expenses (including, without limitation, Taxes payable by reason of any such indemnification). Lead Counsel, or their agents, shall timely and properly file all informational and other tax returns necessary or advisable with respect to the Settlement Fund and the distributions and payments therefrom, including, without limitation, the tax returns described in Treas. Reg. § 1.468B-2(k), and to the extent applicable, Treas. Reg. § 1.468B-2(l). Such returns shall be consistent with the terms hereof and in all events shall reflect that all such Taxes, including any interest or penalties, on the income earned by the Settlement Fund shall be paid out of the Settlement Fund, subject to the limitations set forth in this paragraph. Lead Counsel, or their agents, shall also timely pay Taxes and Tax Expenses, subject to the limitations set forth in this paragraph, out of the Settlement Fund, and are authorized to withdraw, without prior order of the Court, from the Settlement Fund amounts necessary to pay Taxes and Tax Expenses. The parties hereto agree to cooperate with the Claims Administrator, each other, and their tax attorneys and accountants to the extent reasonably necessary to carry out the provisions of this Stipulation.

10. The Settling Defendants shall have no responsibility for and no obligations or liabilities of any kind whatsoever in connection with the determination, administration, calculation, or payment of claims to Settlement Class Members, or for the acts or omissions of Lead Counsel, the Claims Administrator, Escrow Agent, or their agents, as described herein.

11. This is not a claims-made settlement. As of the Effective Date, Settling Defendants and their insurer shall have no right to the return of the Settlement Fund or any portion thereof irrespective of the number of Claims filed, the collective amount of losses of Authorized Claimants, the percentage of recovery of losses, or the amounts to be paid to Authorized Claimants from the Settlement Fund. Any undistributed money from the Settlement Fund that cannot be distributed cost effectively to a Class Member shall be donated to one or more non-sectarian, not-for-profit 501(c)(3) organization(s) designated by Lead Counsel.

12. The finality of the Settlement shall not be conditioned on any ruling by the Court concerning the Plan of Allocation or the award of attorneys' fees and expenses. Any order or proceeding relating to a request for approval of the Plan of Allocation, or any appeal from any order relating thereto or reversal or modification thereof, shall not operate to terminate the Settlement or affect or delay the Effective Date or the effectiveness or finality of the Order and Final Judgment and the release of the Released Claims. There shall be no distribution of any of the Settlement Fund to any Class Member until the Plan of Allocation is finally approved and such order of approval is affirmed on appeal and/or is no longer subject to review by appeal or certiorari, and the time for any petition for rehearing, appeal, or review, by certiorari or otherwise, has expired.

13. The Settling Defendants shall have access to all records of the Escrow account, and upon request made to the Escrow Agent shall receive copies of all records of disbursements, deposits, and statements of accounts.

**ATTORNEYS' FEES AND EXPENSES**

14. Lead Counsel will apply to the Court for an award from the Settlement Fund of attorneys' fees plus reimbursement of actual expenses, plus interest on both amounts at the same rate and for the same periods as earned by the Settlement Fund (until paid) as may be awarded by the Court. Such amounts as are awarded by the Court shall be payable from the Settlement Fund to Lead Counsel pursuant to ¶¶ 17-19. Lead Counsel shall allocate the attorneys' fees and expense awards amongst Plaintiffs' counsel in a manner in which Lead Counsel in good faith believes reflects the contributions of each such counsel to the prosecution and settlement of the action.

15. The Settling Defendants shall have no responsibility or liability for, and shall take no position with respect to, Lead Counsel's application for an award of attorneys' fees or expenses, or application for an award to Lead Plaintiffs, or the allocation of any award of fees and expenses that the Court may make in this action to Lead Counsel or Lead Plaintiffs. In addition, Settling Defendants shall take no position as to the proposed Plan of Allocation for the Settlement Fund.

16. The procedure for and amounts of any award of attorneys' fees and expenses or award to Lead Plaintiffs, and the allowance or disallowance by the Court thereof, shall not be a condition of the Settlement. Lead Counsel shall request that their application for an award of attorneys' fees and expenses and any award to Lead Plaintiffs be considered by the Court separately from the Court's consideration of the fairness and adequacy of the Settlement. Any order or proceedings relating to such request, or any appeal from any order relating thereto or

reversal or modification thereof, shall not operate to terminate the Settlement or affect or delay the Effective Date or the effectiveness or finality of the Order and Final Judgment and the release of the Released Claims. The finality of the Settlement shall not be conditioned on any ruling by the Court concerning Lead Counsel's application for attorneys' fees and expenses.

17. Except as otherwise provided in this paragraph, the attorneys' fees and expenses awarded by the Court shall be paid to Lead Counsel from the Settlement Fund within two (2) business days of the date the Court enters an order awarding such fees and expenses. In the event that the Effective Date does not occur, or the Order and Final Judgment is reversed or modified in any way that affects the award of attorney fees and expenses, or the Settlement Stipulation is terminated for any other reason, then each counsel receiving fees or expenses under this provision shall, within ten (10) business days from receiving notice from Settling Defendants' Counsel or from a court of appropriate jurisdiction, refund to the Settlement Fund, either the full amount of the fees and expenses previously received by it pursuant to these provisions or an amount consistent with any modification of the Order and Final Judgment with respect to the fee and expense award. Lead Counsel and any other Plaintiffs' counsel's law firm that receives fees and expenses, on behalf of itself and each partner and/or shareholder of it who receives a portion of such fees and expenses, agrees that the law firm and its partners and/or shareholders who receive a portion of such fees and expenses are subject to jurisdiction of the Court for the purpose of enforcing the provisions of this paragraph, and each shall be liable for repayment of all attorneys' fees and expenses awarded by the Court. Furthermore, without limitation, Lead Counsel and any other Plaintiffs' Counsel's law firm that receives fees and expenses, and each such firm's partners and/or shareholders who receive a portion of such fees and expenses, agree that the Court may, upon application of the Settling Defendants, summarily issue orders, including, without limitation, judgments and attachment orders and may make

appropriate findings of or sanctions for contempt against that firm or any of its partners and/or shareholders who receive a portion of such fees and expenses should such law firm fail timely to repay fees and expenses pursuant to this paragraph.

**DISTRIBUTION TO AUTHORIZED CLAIMANTS  
AND ADMINISTRATION OF SETTLEMENT**

18. Lead Counsel, the Claims Administrator and Escrow Agent, subject to the supervision, direction and approval of the Court, shall administer and calculate the Claims submitted by Class Members, oversee distribution of the Settlement Fund and perform all claims administration procedures necessary or appropriate in connection therewith. The Settling Defendants shall have no liability, obligation or responsibility for the Class notice, the administration or processing of claims, or the disbursement of the Net Settlement Fund, including without limitation, determinations as to the validity of any Proof of Claim, the amounts of claims, distributions of the Settlement Fund, or any loss incurred by the Escrow Agent or the Claims Administrator and Settling Defendants shall take no position in regard to such matters. Settling Defendants shall cooperate in the administration of the Settlement only to the extent reasonably necessary to effectuate its terms as requested by Lead Counsel.

19. The Settlement Amount and Fund shall be applied as follows:

- (a) To pay all costs and expenses incurred in connection with providing notice to the Class, locating Class Members, soliciting claims, assisting with the filing of claims, administering and distributing the Settlement Fund to the Class Members, processing proofs of claim, processing requests for exclusion and costs;
- (b) To pay Taxes and Tax Expenses owed by the Settlement Fund;

(c) Subject to the approval and further order(s) of the Court, for payment of all attorneys' fees and expense reimbursement as may be awarded by the Court to Lead Counsel, who may make payment therefrom to other Plaintiff's counsel as the former deems appropriate based upon the work done by such other Plaintiff's counsel and such other Plaintiff counsel's relative contribution to the prosecution and settlement of the Actions;

(d) Subject to the approval and further order(s) of the Court, and upon the Effective Date, to distribute the Net Settlement Fund (as defined in ¶ 5) to Authorized Claimants as provided herein and in the manner set forth in the notice attached hereto as Exhibit A-1 (which notice shall include a Plan of Allocation of the Net Settlement Fund), or as otherwise ordered by the Court in order to participate in such distribution of the Net Settlement Fund.

20. For purposes of determining the extent, if any, to which a Class Member shall be entitled to be treated as an "Authorized Claimant," the following conditions shall apply:

(a) Each Class Member seeking to participate in distributions from the Net Settlement Fund shall be required to timely submit to the Claims Administrator a separate signed Proof of Claim (in the form attached hereto as Exhibit A-2), supported by such documents as are designated therein, including proof of all purchases and sales of the DYP common stock listed during the Class Period, the Claimant's loss, or such other documents or proof as Lead Counsel, in their discretion, may deem acceptable;

(b) All Proofs of Claim must be submitted by the date specified in the Settlement Notice unless such period is extended by Order of the Court. Any Class Member who fails to submit a Proof of Claim within such period shall be forever barred from receiving any payment pursuant to this Settlement Stipulation (unless, by Order of the Court, a later

submitted Proof of Claim by such Class Member is approved), but in all other respects shall be subject to and bound by the provisions of this Settlement Stipulation and the Settlement including the terms of the Order and Final Judgment to be entered in the Litigation and the releases of the Released Claims provided for herein, and will be barred from bringing any action or proceeding against any of the Settling Defendants concerning the Released Claims. Provided that it is received before the motion is made to distribute the Settlement proceeds to the Class, a Proof of Claim shall be deemed to have been submitted when postmarked, if received with a postmark indicated on the envelope and if mailed by first-class mail, postage prepaid, and addressed in accordance with the instructions thereon. In all other cases, the Proof of Claim shall be deemed to have been submitted when actually received by the Claims Administrator;

(c) Each Proof of Claim shall be submitted to and reviewed by the Claims Administrator, under the supervision of Lead Counsel, who shall determine in accordance with this Settlement Stipulation the extent, if any, to which each claim shall be allowed, subject to review by the Court pursuant to subparagraph (e) below;

(d) Proofs of Claim that do not meet the submission requirements may be rejected. Prior to rejection of a Proof of Claim, the Claims Administrator shall communicate with the claimant in order to afford the claimant opportunity to remedy any curable deficiencies in the Proof of Claims submitted. The Claims Administrator shall notify, in a timely fashion and in writing, all claimants whose Proofs of Claim it proposes to reject in whole or in part, setting forth the reasons therefor, and shall indicate in such notice that the claimant whose claim is to be rejected has the right to a review by the Court if the claimant so desires and complies with the requirements of subparagraph (e) below;

(e) If any claimant whose claim has been rejected in whole or in part desires to contest the rejection, the claimant must, within twenty (20) days after the date of mailing of

the notice required in subparagraph (d) above, serve upon the Claims Administrator a notice and statement of reasons indicating the claimant's grounds for contesting the rejection along with any supporting documentation, and requesting a review thereof by the Court. If a dispute concerning a claim cannot be otherwise resolved, Lead Counsel shall present the request for review to the Court. If a claimant fails to serve upon the Claims Administrator the notice required in this paragraph, his, her or its Proof of Claim, to the extent rejected, will not be allowed; and

(f) The administrative determinations of the Claims Administrator accepting and rejecting claims shall be presented in a report to the Court, with notice to Settling Defendants' Counsel, in conjunction with a motion for authorization to distribute the Net Settlement Fund to Authorized Claimants.

21. Each claimant shall be deemed to have submitted to the jurisdiction of the Court with respect to his, her or its claim, and, if good cause appears therefor, the claim will be subject to investigation and discovery under the Federal Rules of Civil Procedure, provided that such investigation and discovery shall be limited to the claimant's status as a Class Member and the validity and amount of the claimant's claim. No discovery shall be allowed on the merits of the Litigation or Settlement in connection with processing of the Proofs of Claim.

22. No Class Member or Authorized Claimant shall have any claim against Lead Counsel, Lead Plaintiffs, any other Plaintiff and Plaintiffs' counsel in the Litigation, any of the Settling Defendants or their counsel, the Claims Administrator or any employees or agents of any of the foregoing, based on the distributions made substantially in accordance with this Settlement Stipulation or as otherwise approved or directed by the Court. Payment pursuant to this Settlement Stipulation shall be deemed final and conclusive against all Class Members. All Class Members whose claims are not approved by the Court shall be barred from participating in distributions from the Net Settlement Fund, but otherwise shall be subject to and bound by the

provisions of this Settlement Stipulation and the Settlement, including the terms of the Order and Final Judgment to be entered in the Litigation and the releases provided for herein, and will be barred from bringing any action against any of the Settling Defendants concerning the Released Claims.

23. All proceedings with respect to the administration, processing and determination of claims described by ¶ 20 of this Settlement Stipulation and the determination of all controversies relating thereto, including disputed questions of law and fact with respect to the validity of claims, shall be subject to the jurisdiction of the Court.

24. The Net Settlement Fund shall be distributed to Authorized Claimants by the Claims Administrator only after the Effective Date and after: (i) all timely Proofs of Claim have been processed and all claimants whose claims have been rejected or disallowed, in whole or in part, have been notified and provided the opportunity to be heard concerning such rejection or disallowance; (ii) all objections with respect to all rejected or disallowed claims have been resolved by the Court, and all appeals therefrom have been resolved or the time therefor has expired; (iii) all matters with respect to attorneys' fees, costs and disbursements have been resolved by the Court, all appeals therefrom have been resolved or the time therefor has expired; and (iv) all costs of administration have been paid.

25. In the interests of achieving substantial justice, Lead Counsel shall have the right, but not the obligation, to advise the Claims Administrator to waive what they deem to be formal or technical defects in any submitted Proofs of Claim.

26. The Settling Defendants shall have no involvement in the solicitation of, or review of Proofs of claim, or involvement in the administration process itself, which shall be conducted by the Claims Administrator in accordance with this Stipulation and the Order and

Final Judgment to be entered by the court. No Claimant or Authorized Claimant shall have any claim against the Released Parties or their counsel based on, or in any way relating to, the distributions from the Settlement Fund, the solicitation or review of Proofs of Claim, or the administration process itself.

27. Following distribution of the Net Settlement Fund, the Claims Administrator shall maintain the completed Proofs of Claim on file for three years after the Effective Date.

28. Each Member of the Class certified for purposes of settlement only shall be bound by all determinations and judgments in the Litigation concerning the Settlement unless such person shall mail, by first class mail, a written request for exclusion from the Class. In order to be valid, a Request for Exclusion must state: (1) the name and address of the person requesting exclusion; (2) written evidence of the person's purchases and sales of DYP common stock made during the Class Period, including the dates, the number of shares, and prices paid or received per share for each such purchase or sale; and (3) that the person wishes to be excluded from the Class. Such Person should also state his, her, or its telephone number. All persons who submit valid and timely Requests for Exclusion in the manner set forth in this paragraph shall have no rights under this Stipulation, shall not share in the distribution of the Net Settlement Fund, and shall not be bound by the Stipulation of Settlement or the Judgment.

**TERMS OF PRELIMINARY ORDER IN  
CONNECTION WITH SETTLEMENT PROCEEDINGS**

29. Promptly after execution of this Settlement Stipulation, Lead Counsel and Settling Defendants' Counsel shall submit the Settlement Stipulation together with its Exhibits to the Court and shall jointly apply for entry of a Preliminary Order in connection with settlement proceedings substantially in the form annexed hereto as Exhibit A, providing for, among other things, preliminary approval of the Settlement and notice to the Class of the Settlement Hearing.

The Preliminary Order (Exhibit A) to be submitted to the Court shall contain exhibits substantially in the form set forth in (i) the Notice of Pendency and Settlement of Class Action (the "Settlement Notice") (Exhibit A-1 to Preliminary Order); (ii) the Proof of Claim and Release (Exhibit A-2 to Preliminary Order); and (iii) the Summary Notice of Proposed Class Action Settlement and Hearing Thereon ("Publication Notice") (Exhibit A-3 to the Preliminary Order). Settling Defendants are not liable or responsible for the method of, or representations made in, the Settlement Notice or Publication Notice. Settling Defendants shall, within ten (10) calendar days after entry of the Preliminary Order, notify the Claims Administrator and Lead Counsel if they have been served with legal notice indicating that any Class Members are parties to any other pending action, arbitration or other proceeding, and are asserting claims related to the Released Claims against any of the Settling Defendants ("Parallel Related Claims"), and if any such Class Members exist, provide the Claims Administrator and Lead Counsel with a list of such Class Members and a mailing address and telephone number for such Class Members and their Counsel, if any. To assist Settling Defendants in identifying such Class Members, within five (5) calendar days after entry of the Preliminary Order, the Claims Administrator shall provide to the Settling Defendants a list of the Persons to whom notice by mail will be provided. Such information will be for informational purposes only and the contents of such information shall have no impact on Settling Defendants' obligations as set forth in this paragraph. If Settling Defendants are served with legal notice of any Parallel Related Claims after the Court's Preliminary Order is entered, but on or prior to the date set by the Court to timely submit a Request for Exclusion, Settling Defendants shall, within seven (7) calendar days, notify the Claims Administrator and Lead Counsel of the existence of such Class Member and provide a mailing address and telephone number for such Class Member and their Counsel, if any. The Claims Administrator shall, within three (3) business days of receiving notice of Parallel Related

Claims, provide a copy of the Settlement Notice to all Class Members identified by Settling Defendants as having served them with a Parallel Related Claim at the address of such Class Member their counsel, if any, via certified mail. For the purpose of this section, notice to the Claims Administrator shall be provided via overnight mail to Strategic Claims Services, Attn: Josephine Bravata, 600 North Jackson Street, Suite 3, Media, PA 19063. A list of all persons who received notice in this manner shall be provided to the Court on or before the date of the Settlement Hearing, which shall be attached as Exhibit B to the Order and Final Judgment. Should the Settling Defendants have received service of a Parallel Related Claim within the above-specified time frames, but fail to provide the Claims Administrator and Lead Counsel with the required information as set forth in this section, such Parallel Related Claim will not be released, dismissed or distinguished by operation of ¶8 of the Order and Final Judgment.

#### **TERMS OF ORDER AND FINAL JUDGMENT**

30. If the Settlement contemplated by this Settlement Stipulation is approved by the Court, Lead Counsel and Settling Defendants' counsel shall jointly request that the Court enter an Order and Final Judgment substantially in the form annexed hereto as Exhibit B. The Settlement is expressly conditioned upon, among other things, the entry of an Order and Final Judgment substantially in the form annexed hereto as Exhibit B.

#### **SUPPLEMENTAL AGREEMENT**

31. Simultaneously herewith, Lead Counsel and Settling Defendants are executing a "Supplemental Agreement" setting forth certain conditions under which this Settlement Stipulation may be withdrawn or terminated at the discretion of Settling Defendants if potential Class Members who purchased in excess of a certain number of damaged shares of DYP

common stock exclude themselves from the Class. The Supplemental Agreement shall not be filed with the Court except that the substantive contents of the Supplemental Agreement may be brought to the attention of the Court, *in camera*, if so requested by the Court, or if a dispute arises among the Settling Parties concerning the Supplemental Agreement's interpretation or application. The Settling Parties will keep the terms of the Supplemental Agreement confidential, except if compelled by judicial process to disclose the Supplemental Agreement. In the event the Settlement and this Settlement Stipulation are terminated, the provisions of ¶¶ 6-10, 34, 35, 36, 39, 40 and 51-54 shall survive termination.

**EFFECTIVE DATE OF SETTLEMENT, WAIVER OR TERMINATION**

32. The Effective Date of Settlement shall be the latest date when all the following shall have occurred:

(a) entry of the Preliminary Order;

(b) approval by the Court of the Settlement and certification of the Class following notice to the Class and a hearing in accordance with Rule 23 of the Federal Rules of Civil Procedure;

(c) entry by the Court of an Order and Final Judgment and the expiration of any time for appeal or review of the Order and Final Judgment, or, if any appeal is filed and not dismissed, after the Order and Final Judgment is upheld on appeal in all material respects and is no longer subject to review upon appeal or review by certiorari or otherwise, and the time for any petition for reargument, appeal or review, by certiorari or otherwise, has expired, or, in the event that the Court enters an order and final judgment in a form other than that provided above ("Alternative Judgment") and none of the parties hereto elect to terminate this Settlement, the date that such Alternative Judgment becomes final and no longer subject to appeal or review by

certiorari or otherwise, and the time for any petition for reargument, appeal or review, by certiorari or otherwise, has expired; and

(d) Settling Defendants shall have paid the full \$1,893,750.00 Settlement Amount.

33. Settling Defendants' Counsel or Lead Counsel shall have the right to terminate the Settlement and this Settlement Stipulation by providing written notice of their election to do so ("Termination Notice") to the other within thirty (30) days of the date on which: 1) the Court declines to enter the Preliminary Order; 2) the Court refuses to approve this Settlement Stipulation or any material part of it, provided, however, that the allowance or disallowance by the Court of any application for an award of attorneys' fees and expenses shall not be material; 3) the Court declines to enter the Order and Final Judgment; 4) the Order and Final Judgment is vacated, modified or reversed in any material respect by the United States Court of Appeals for the Second Circuit or the United States Supreme Court; 5) an Alternative Judgment is vacated, modified or reversed in any material respect by the United States Court of Appeals for the Second Circuit or the United States Supreme Court; or 6) the Effective Date of Settlement otherwise does not occur, except that if such Effective date does not occur as a result of Settling defendants failing to pay the Settlement Amount, Settling Defendants may not unilaterally terminate the Settlement or the Settlement Stipulation based on Settling Defendants' own non-payment, and in such event Lead Plaintiffs may enforce the Settlement Agreement against Settling Defendants in accordance with its terms. Settling Defendants may also terminate the Settlement and this Settlement Stipulation pursuant to ¶ 31, if the conditions set forth therein are met. The foregoing list is not intended to limit or impair the parties' rights under the law of contracts of the State of New York with respect to any breach of this Settlement Stipulation. In

the event the Settlement and this Settlement Stipulation are terminated, the provisions of ¶¶ 6-10, 34, 35, 36, 39, 40 and 51-54 shall survive termination.

34. In the event the Settlement and this Settlement Stipulation are terminated or if the Effective Date fails to occur for any reason, the Settling Parties shall be deemed to have reverted *nunc pro tunc* to their respective status in the Litigation as of the date and time immediately prior to the execution of this Settlement Stipulation and, except as otherwise expressly provided, the Settling Parties shall proceed in all respects as if this Settlement Stipulation and any related orders had not been entered and without any prejudice in any way from the negotiation, fact or terms of this Settlement.

35. In the event this Settlement Stipulation is terminated or if the Effective Date fails to occur for any reason, then within ten (10) business days after written notice is sent by Lead Counsel or Settling Defendants' Counsel, the balance of the Settlement Fund, less any expenses for Notice or administration of the Settlement Fund paid or incurred but not yet paid, shall be refunded to Settling Defendants, including interest accrued thereon. In such event, the parties to this Settlement Stipulation shall be deemed to have reverted *nunc pro tunc* to their respective status as of the date and time immediately before the execution of this Settlement Stipulation and, except as otherwise expressly provided, they shall proceed in all respects as if this Settlement Stipulation and related orders had not been entered and without prejudice in any way from the negotiation, fact or terms of this Settlement. In the event that the Settlement and this Settlement Stipulation are terminated, the provisions of ¶¶ 6-10, 34, 35, 36, 39, 40 and 51-54 shall survive termination.

**NO ADMISSION OF WRONGDOING**

36. This Settlement Stipulation, whether or not consummated, and any proceedings taken pursuant to it:

(a) shall not be offered or received against any Defendant, any other released party, Lead Plaintiffs or the Class as evidence of, or be deemed to be evidence of, any presumption, concession or admission by any of the Settling Defendants or any of the other Settling Defendants or by any of the Lead Plaintiffs or the Class with respect to the truth of any fact alleged by Lead Plaintiffs or the validity, or lack thereof, of any claim that had been or could have been asserted in the Litigation or in any litigation, or the deficiency of any defense that has been or could have been asserted in the Litigation or in any litigation, or of any liability, negligence, fault or wrongdoing of Defendants or other Settling Defendants;

(b) shall not be offered or received against any of the Settling Defendants as evidence of a presumption, concession or admission of any fault, misrepresentation or omission with respect to any statement or written document approved or made by any released party, or against Lead Plaintiffs or the Class as evidence of any infirmity in the claims of Lead Plaintiffs and the Class;

(c) shall not be offered or received against any of the Settling Defendants, Lead Plaintiffs or the Class as evidence of a presumption, concession or admission with respect to any liability, negligence, fault or wrongdoing, or in any way referred to for any other reason as against any of the parties to this Settlement Stipulation, in any arbitration proceeding or other civil, criminal or administrative action or proceeding, other than such proceedings as may be necessary to effectuate the provisions of this Settlement Stipulation; provided, however, that if this Settlement Stipulation is approved by the Court, the Settling Defendants may refer to it

to effectuate the liability protection granted them hereunder or to the extent necessary to enforce or support their claims for any contractual right for advancement and reimbursement for costs and fees incurred in defending the Litigation, or as necessary to support their Cross-claims against Frazer.

(d) shall not be construed against any of the Settling Defendants, Lead Plaintiffs or the Class as an admission or concession that the consideration to be given hereunder represents the amount which could be or would have been recovered after trial; and

(e) shall not be construed as or received in evidence as an admission, concession or presumption against Lead Plaintiffs or the Class or any of them that any of their claims are without merit or that damages recoverable by way of the Litigation would not have exceeded the Settlement Amount.

37. This Settlement Stipulation and the Settlement may be pleaded as a full and complete defense to any action, suit or other proceeding that may be instituted, prosecuted or attempted with respect to any of the Released Claims. The Settling Defendants may offer the Settlement Stipulation or Order and Final Judgment from the Litigation in any other action that may be brought against them by any Class Member or other party in order to support a defense or counterclaim based on principles of *res judicata*, collateral estoppel, release, good faith settlement, judgment bar or reduction or any similar defense or counterclaim. The Class Members and Settling Defendants agree that any such proceeding would cause irreparable injury to the released party against whom it is brought and that the Court or any court of competent jurisdiction may enter an injunction restraining the prosecution of such proceeding. The Settling Defendants may also offer the Settlement Stipulation or Order and Final Judgment from the Litigation to the extent necessary to enforce the terms hereof, to otherwise effectuate the liability

protection granted them hereunder, or to the extent necessary to support their claims for any contractual right for advancement and reimbursement for costs and fees incurred in defending the Litigation, or as necessary to support their Cross-claims against Frazer.

**NOTICE AND ADMINISTRATION FUND**

38. The Notice and Administration Fund shall be used by the Escrow Agent to pay the costs of notifying the Class, soliciting the filing of claims by Class Members, assisting them in making their claims, and otherwise administering the Settlement on behalf of the Class.

39. As of the Effective Date, any balance, including interest, then remaining in the Notice and Administration Fund, less expenses incurred but not yet paid, shall be returned to the Settlement Fund. Thereafter, Lead Counsel shall have the right to use such portions of the Settlement Fund as are, in their exercise of reasonable judgment, necessary to carry out the purposes set forth in ¶ 19 above. The Escrow Agent will establish an Escrow Account into which the Notice and Administration Fund will be deposited. At Settling Defendants' request, the Escrow Agent shall provide Settling Defendants with appropriate documentation of all out-of-pocket costs incurred in connection with providing Notice to the Class and for other administrative expenses.

40. If the Effective Date does not occur, the balance of the Notice and Administration Fund that has not been expended, including all interest accrued thereon, shall be returned to the Settling Defendants.

**MISCELLANEOUS PROVISIONS**

41. All of the Exhibits attached hereto are hereby incorporated by reference as though fully set forth herein. Notwithstanding the foregoing, in the event that there exists a conflict or

inconsistency between the terms of this Settlement Stipulation and the terms of any exhibit hereto, the terms of this Settlement Stipulation shall prevail.

42. This Settlement Stipulation may not be modified or amended, nor may any of its provisions be waived except by a writing signed by all Settling Parties or their successors-in-interest.

43. Neither the Settlement Stipulation nor the Settlement, nor any act performed or document executed pursuant to or in furtherance of the Settlement Stipulation or the Settlement: (i) is or may be deemed to be or may be used as an admission or evidence of the validity of any Released Claim or of any wrongdoing or liability of any of the Settling Defendants; or (ii) is or may be deemed to be or may be used as an admission or evidence of any fault or omission of any of the Settling Defendants in any civil, criminal or administrative proceeding in any court, any arbitration proceeding or any administrative agency or other tribunal, other than in such proceedings as may be necessary to consummate or enforce the Settlement Stipulation, the Settlement or the Order and Final Judgment.

44. The parties to this Settlement Stipulation intend the Settlement to be a final and complete resolution of all disputes asserted or which could be asserted by the Class Members against any of the Settling Defendants with respect to the Released Claims, and they intend the Settlement to be a final and complete release of any and all claims and rights. Accordingly, Lead Plaintiffs and Settling Defendants agree not to assert any claim under Rule 11 of the Federal Rules of Civil Procedure or any similar law, rule or regulation, that the Litigation was brought or defended in bad faith or without a reasonable basis and further agree not to make any public statements that contradict such position. The Settling Parties agree that the amount paid and the other terms of the Settlement were negotiated at arm's-length in good faith by the parties, and

reflect a settlement that was reached voluntarily based upon adequate information and after consultation with experienced legal counsel.

45. The waiver by one Settling Party of any breach of this Settlement Stipulation by any other Settling Party shall not be deemed a waiver of any other prior or subsequent breach of this Settlement Stipulation.

46. This Settlement Stipulation, its exhibits and the Supplemental Agreement constitute the entire agreement among these parties, and no representations, warranties or inducements have been made to any party concerning this Settlement Stipulation, its exhibits or the Supplemental Agreement, other than the representations, warranties and covenants contained and memorialized in such documents.

47. This Settlement Stipulation may be executed in one or more counterparts, including by signature transmitted via facsimile, or by a .pdf/.tiff image of the signature transmitted via e-mail. All executed counterparts and each of them shall be deemed to be one and the same instrument.

48. The Settling Parties and their respective counsel of record agree that they will use their best efforts to obtain all necessary approvals of the Court required by this Settlement Stipulation.

49. Each counsel signing this Settlement Stipulation represents that such counsel has authority to sign this Settlement Stipulation on behalf of each of their respective clients and, with respect to any other Plaintiffs' counsel's law firm that receives fees and expenses, on behalf of that Plaintiffs' counsel's law firm as well.

50. This Settlement Stipulation shall be binding upon and shall inure to the benefit of the successors and assigns of the Settling Parties, including any and all Settling Defendants and any corporation, partnership, or other entity into or with which any Settling Party hereto may merge, consolidate or reorganize. No assignment shall relieve any Settling Party hereto of obligations hereunder.

51. Notices required by this Settlement Stipulation shall be submitted either by any form of overnight mail or in person to:

Laurence M. Rosen  
The Rosen Law Firm  
275 Madison Avenue, 34<sup>th</sup> Floor  
New York, NY 10016  
Tel: (212) 686-1060

*Co-Lead Counsel in the Litigation*

Terri L. Combs  
Faegre Baker Daniels, LLP  
801 Grand Avenue, 33<sup>rd</sup> Floor  
Des Moines, Iowa 50309  
Tel: (515) 447-4707

*Counsel for Settling Defendants*

Notice shall be deemed effective upon receipt.

52. The administration, consummation and enforcement of the Settlement as embodied in this Settlement Stipulation shall be under the authority of the Court, and the Settling Parties intend that the Court retain jurisdiction for the purpose of entering orders, providing for awards of attorneys' fees and expenses to Lead Counsel, and enforcing the terms of this Settlement Stipulation and the Settlement.

53. The construction, interpretation, operation, effect and validity of this Settlement Stipulation, and all documents necessary to effectuate it, shall be governed by the internal laws

of the State of New York without regard to conflicts of laws, except to the extent that federal law requires that federal law governs.

54. This Settlement Stipulation shall not be construed more strictly against one Settling Party than another Settling Party merely by virtue of the fact that it, or any part of it, may have been prepared by counsel for one of the Settling Parties, it being recognized that it is the result of arm's-length negotiations between the Settling Parties and that all Settling Parties have contributed substantially and materially to the preparation of this Settlement Stipulation. The headings contained herein have been inserted for convenience, only, and are not material parts of the Settlement Stipulation.

Respectfully submitted,

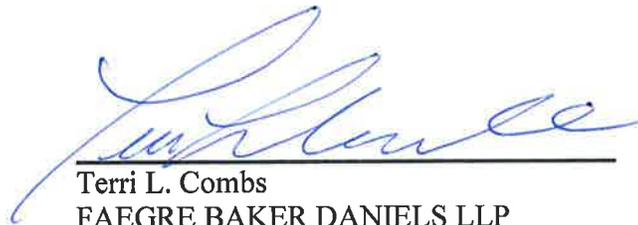


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Laurence M. Rosen  
Jonathan Stern  
THE ROSEN LAW FIRM, P.A.  
275 Madison Avenue, 34th Floor  
New York, NY 10016  
Tel.: (212) 686-1060

Marc I. Gross  
Jeremy A. Lieberman  
Tamar A. Weinrib  
POMERANTZ LLP  
600 Third Avenue  
New York, NY 10016  
Tel.: (212) 661-1100

**Lead Counsel for Plaintiffs**



Terri L. Combs  
FAEGRE BAKER DANIELS LLP  
801 Grand Avenue, 33<sup>rd</sup> Floor  
Des Moines, Iowa 50309  
Tel: (515) 447-4707

Michael M. Krauss  
FAEGRE BAKER DANIELS LLP  
2200 Wells Fargo Center  
90 South 7<sup>th</sup> Street  
Minneapolis, MN 55402  
Tel: (612) 766-8514

*Counsel for Settling Defendants*