

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

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	:	Case no. 07-CV-9416 (RJS)
IN RE FUWEI FILMS SECURITIES	:	
LITIGATION	:	
	:	CLASS ACTION
	:	
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DECLARATION OF PHILLIP KIM IN SUPPORT OF LEAD PLAINTIFF’S MOTION FOR: (1) FINAL APPROVAL OF PROPOSED CLASS ACTION SETTLEMENT; AND (2) AWARD OF COUNSEL FEES AND REIMBURSEMENT OF EXPENSES

I, Phillip Kim, declare and state, under penalty of perjury, that the following is true and correct to the best of my knowledge, information and belief:¹

1. I am an attorney with Rosen Law Firm, P.A., Lead Counsel for Nijat Tonyaz in the above-referenced action. I am duly admitted to practice in New York and before this Court. I have personal knowledge of the matters set forth herein and, if called upon, I could and would completely testify thereto.

2. I submit this Declaration in support of Lead Plaintiff’s Motion for: (1) Final Approval of Proposed Class Action Settlement; and (2) Award of Counsel Fees and Reimbursement of Expenses. This motion (the “Motion for Final Approval”) is filed concurrently herewith.

3. The purpose of this Declaration is to set forth the nature of the extensive investigation, legal briefing and negotiations that led to the settlement with Defendants. In my view, this Declaration demonstrates why the Settlement is fair, reasonable and adequate and

¹ Unless otherwise indicated, all capitalized terms herein shall have the same meanings as set forth in the Stipulation and Agreement of Settlement dated September 16, 2010, docket no. 77.

should be approved by the Court and why Lead Plaintiff's Counsel's fee and expense request is reasonable and should be approved by the Court.

4. The Stipulation and Agreement of Settlement, dated September 16, 2010 (Docket No. 77) (the "Stipulation"), provides for a payment of \$2,150,000 in cash in an interest-bearing escrow account; \$1,150,000 is to be paid by Chartis (Individual Defendants' insurer), and \$1,000,000 is to be paid by Fuwei. Of the \$1,000,000 to be paid by Fuwei, \$200,000 will not be paid into escrow until 10 business days after the date the Court issues the Order and Final Judgment or July 1, 2011, whichever date is later. To date, \$1,950,000 has been received into the escrow account.

5. On January 4, 2011 (docket no. 80), the Court signed an order preliminarily approving the settlement of this action, preliminarily certifying this action as a class action for the purposes of settlement, and approving the form and manner of providing notice to class members.

I. SUMMARY

6. Beginning from Lead Plaintiff's Counsel's pre-filing investigation of the action in October 2007 and continuing throughout, Lead Plaintiff and his counsel have litigated this action vigorously. The Settlement was reached only after Lead Plaintiff's Counsel: (a) conducted an extensive factual investigation prior to the commencement of this action, which included the review of thousands of publicly available documents about Fuwei and certain Individual Defendants in the U.S. and in the People's Republic of China ("PRC") and related accounting PRC law issues; (b) researched, drafted and filed the initial complaint and the operative first amended complaint; (c) identified certain witnesses and developed leads; (d) consulted with a numerous private investigators in the U.S. and in the PRC relating the allegations in this action; (e) consulted with a damages expert; (f) researched and drafted oppositions to Defendants' motions to dismiss; (g) engaged in extensive document discovery with Defendants and third parties, culminating in the review of approximately 75,000 pages of documents; and (h) engaged in settlement negotiations with the Settling Parties and Chartis.

7. By the time the Settling Parties reached the Settlement, Lead Plaintiff and his counsel had gained a full understanding of the strengths and weaknesses of the case. Even though notices of the settlement of this action were sent to 21,323 potential class members, and notice was duly disseminated electronically over *GlobeNewswire* and in print in the *Investor's Business Daily*, as of the date of this writing, only single class member has objected to the Settlement, relating to the Plan of Allocation, or, in the alternative, for exclusion from the Settlement. See Affidavit of Paul Mulholland, attached hereto as Exhibit 1 ("Mulholland Aff.").

8. The Settlement was reached after intense, concentrated and good faith negotiations among experienced counsel. A true and correct copy of the Rosen Law Firm P.A.'s resume is attached hereto as Ex. 2. Likewise, the negotiation and drafting of the Stipulation and supporting documents were time-intensive, difficult and hard-fought.

9. The Settlement confers an immediate and substantial benefit on the Class. At the same time, the certainty of the Settlement eliminates the very serious risk that continued litigation against the Defendants might yield nothing for Lead Plaintiff and the Class. Indeed, Fuwei itself is not covered under any insurance policy, and the other Defendants' insurance coverage by Chartis is capped at \$5 million, and it would be depleted much further if the litigation proceeds to trial. Fuwei and other Individual Defendants are located in the PRC, where evidence collection is extremely difficult or prohibited. Indeed, depositions are not permitted under PRC law. The settlement avoids these pitfalls and provides for an immediate and substantial recovery.

10. The Settlement also avoids the risk Lead Plaintiff and the Class would face in successfully prevailing on the issues of liability and damages.

11. Lead Plaintiff faced the risk and costly task of discovering and obtaining admissible evidence of falsity, in light of the discovery challenges faced with PRC-based defendants and third parties. Depositions are not permitted in the PRC and compelling production of documents held by third parties located in PRC is nearly impossible. Moreover, and substantively, Lead Plaintiff faced the risk associated with Defendants' contention that when

put to the proofs, the allegations that demonstrate falsity, which concern events subsequent to the IPO, do not demonstrate that the Offering Documents contain a false statement.

12. Defendants have all along alleged that Lead Plaintiff and the Class are subject to negative causation defense, asserting that there was no disclosure tied to the alleged misstatements or omissions that caused the price of Fuwei's stock to fall in value when revealed to the market, or that the drop in value of Fuwei's stock was caused by some other market factor. While Lead Plaintiff is confident that he would prevail against the negative causation defense, the issue would have been subject to competing expert testimony with no guarantee that the Court and ultimately the jury would credit Lead Plaintiff's expert over Defendants' expert. This substantial settlement avoids these risks of recovery.

13. In addition to the risks and obstacles in proving liability and damages, the settlement avoids the clear and present risk that the available insurance policy would be depleted by the time the Court might enter a judgment against them.

14. Defendants' (other than Fuwei, which had no coverage) insurance coverage consisted of a \$5 million wasting insurance policy issued by Chartis. The Settlement represents a substantial portion of the remaining insurance coverage, in light of the litigation activity prior to date. Additionally, the insured defendants' liability was subject to the statutory due diligence defense.

15. Fuwei and other Individual Defendants are located in the PRC and the prospects for collecting a judgment against them are bad.

16. The settlement represents 17.3% of Lead Plaintiff's maximum class-wide damages of approximately \$12.4 million based on Lead Plaintiff's best case scenario of damages (i.e., prevailing on every claim and defeating Defendants' arguments) as determined by Lead Plaintiff's Counsel in consultation with a damages consultant. Defendants had disagreed with this estimate of damages. Defendants contended that even if Lead Plaintiff could establish liability and damages, Lead Plaintiff's best case scenario of damages was \$2.3 million in class-wide damages. The Settlement represents 93% of Defendants' estimate of class-wide damages.

One very likely scenario estimates damages at \$5.95 million. Under Section 11(e) of the Securities Act, damages are capped at the offering price less the value of the security when suit was brought. As the action was filed on October 19, 2007 when Fuwei stock closed at \$6.90 per share, and the IPO price was \$8.28 per share, maximum damages are the difference - \$1.38/share- multiplied by 4,320,000 IPO shares or \$5.95 million. Under this scenario, the Settlement represents 36.4% of class-wide damages.

17. Under either scenario, this recovery represents an excellent result and is well within the range of typical securities class action settlements.

18. The Plan of Allocation is fair, reasonable and adequate as it was formulated with the aid of damages expert John Hammerslough, and distributes the Settlement Fund *pro-rata* to Class Members pursuant to the principles of *Dura Pharms., Inc. v. Broudo*, 544 U.S. 336 (2005). Only those shareholders who purchased and continued to hold their shares after the partial corrective disclosures of the wrongdoing during the Class Period are compensated. Shareholders are allocated a recognized per share loss for each stock drop based on the amount of such drop. Net gains made from trades during the Class Period are netted out with net losses. Thus, each shareholder is treated fairly and compensated *pro-rata* based on the loss caused by the alleged misconduct.

19. The requested attorneys' fee of one-third of the Gross Settlement Fund is reasonable and within the range awarded in class litigation of this type. The requested fee is fair in light of the results achieved, the risks involved in the litigation, and similar awards in this type of litigation. Indeed, when cross-checked with the lodestar method, the reasonableness of the fee request is confirmed by Lead Plaintiff's Counsel's lodestar multiplier of 1.24, which is at the low end of the range of multipliers typically awarded in contingent fee class action cases.

20. The notice to Class members stated that Lead Plaintiff's Counsel would seek a fee of one-third of the Gross Settlement Fund. That no objections were received to the requested attorneys' fees, as of the date of this writing, also confirms the reasonableness of the requested fee. *See* Ex. 1, Mulholland Aff., Exs. A, B.

21. Lead Plaintiff's Counsel's request for reimbursement of out-of-pocket expenses of \$38,590.64 is also reasonable, fair and should be approved. These expenses were required and incurred in the prosecution of this action.

22. For the reasons set forth herein and in the memorandum of law in support of the Motion for Final Approval, both of which are filed herewith, this Court should find that the Settlement, Plan of Allocation, and request for attorneys' fees, reimbursement of expenses, and award to Lead Plaintiff are fair, reasonable and adequate and should be approved.

23. The action meets each of the requirements necessary to certify the Class under Fed. R. Civ. P. 23(a) and 23(b)(3). This Court should, therefore, finally certify the Class for settlement purposes.

II. BACKGROUND OF THE LITIGATION

Overview of Lead Plaintiff's Claims

24. Lead Plaintiff alleges claims under Sections 11, 12(a)(2) and 15 of the Securities Act of 1933 ("Securities Act"). The Section 11 and 12(a)(2) claims are asserted against Fuwei Defendants, Zhou, and the Underwriter Defendants. The Section 15 control person claims are asserted against the Shareholder Defendants, and He and Stulga.

25. Lead Plaintiff asserts that Fuwei's Registration Statement and Prospectus (the "Offering Documents") issued in connection with its initial public offering of approximately 4,312,500 shares at \$8.28/share beginning on December 19, 2006 (the "IPO") contained inaccurate statements of material fact or failed to disclose material information rendering affirmative statements in the Offering Documents materially false or misleading. Particularly, Lead Plaintiff asserts that the Offering Documents were materially false or misleading because (a) there were undisclosed pending investigations and legal proceedings against defendants Fuwei, Yin, and Wang in connection with transfer of two production lines, Bruckner Line and DMT Line (collectively the "Production Lines") to Fuwei; and (b) the Offering Documents failed to disclose the Shareholder Defendants involvement in the transfer of the Productions

Lines. The action also includes after-market purchasers in the IPO from December 19, 2006 through and including November 12, 2007 (the “Class Period.”).

26. Lead Plaintiff alleges that these false statements artificially inflated the value of Fuwei stock, and that Lead Plaintiff and the Class were damaged when the truth began to leak into the marketplace through partial disclosures.

27. On June 25, 2007, the Company issued an announcement revealing for the first time criminal proceedings against the Shareholder Defendants in connection with the transfer of the Production Lines. This announcement caused a \$1.01/share or 14% stock price decline.

28. On October 16, 2007 the Company issued an announcement stating that PRC authorities had arrested the Shareholder Defendants in connection with the criminal proceedings. This announcement caused a \$2.25/share or 24.5% stock price decline.

29. On November 6, 2007 the Company issued an announcement stating that its auditor Murrell, Hall, McIntosh & Co PLLP (“Murrell Hall”) resigned due to the arrest of the Shareholder Defendants. This announcement caused a \$1.12/share or 17.5% stock price decline.

30. On November 12, 2007, the Company issued an announcement stating that operation of its third production line would be delayed because financing could not be obtained due to Shareholder Defendants’ arrest. This announcement caused a \$1.57/share or 33.5% stock price decline.

The Defendants

31. Defendant Fuwei, a Cayman Islands Corporation, is headquartered in the PRC and conducts all of its operation in the PRC. Fuwei, through its wholly owned subsidiaries, develops, manufactures, and distributes plastic films. Fuwei’s primary operating assets are the Production Lines.

32. Defendant He was at all relevant times the Fuwei’s Chairman and Chief Executive Officer.

33. Defendant Stulga was at all relevant times a Fuwei Director.

34. Defendant Yin was at the time of the IPO a 79% owner of Fuwei. In connection with involvement in the improper transfer of the Production Lines, he was arrested by PRC authorities and eventually convicted and sentenced to death by a PRC court. All of his personal property and shareholdings in Fuwei were confiscated by the PRC government.

35. Defendant Wang was at the time of the IPO a Fuwei Director. He, together with Defendant Zhou, owned 21% of Fuwei at the time of the IPO. In connection with his involvement in the improper transfer of the Production Lines, he was arrested by PRC authorities and eventually convicted and sentenced to life imprisonment by a PRC court. All of his personal property and shareholdings in Fuwei were confiscated by the PRC government.

36. Defendant Zhou was at the time of the IPO a Fuwei Director. In connection with his involvement in the improper transfer of the Production Lines, he was arrested by PRC authorities and eventually convicted and sentenced to life imprisonment by a PRC court. All of his personal property and shareholdings in Fuwei were confiscated by the PRC government.

37. Defendant Maxim Group LLC (“Maxim”) is an investment bank with its principal offices in New York, New York. Maxim was lead underwriter for the IPO.

38. Defendant WR Hambrecht + Co. (“WR Hambrecht”) is an investment bank with offices in New York, New York. WR Hambrecht was one of the underwriters of the IPO.

39. Defendant Chardan Capital Markets, LLC (“Chardan”) is an investment bank with offices in New York, New York. Chardan was one of the underwriters of the IPO.

Procedural History

40. On October 19, 2007, plaintiff Yinglu Yao, through his counsel, the Rosen Law Firm, commenced a putative class action with this Court against Fuwei and certain of the Company’s officers and directors. Docket no. 1 (*Yinglu Yao v. Fuwei Films (Holdings) Co., Ltd., et. al.*, No. 07-CV-9416 (RJS)).

41. On November 14, 2007, a second related action was commenced in this Court against Fuwei and certain of the Company’s officers and directors, along with the Underwriter

Defendants, entitled *Meira Rubin v. v. Fuwei Films (Holdings) Co., Ltd., et. al.*, No. 07-CV-10323 (RJS).

42. On January 24, 2008, the Court appointed Nijat Tonyaz as Lead Plaintiff and the Rosen Law Firm, P.A. as Lead Counsel for Lead Plaintiff and consolidated the two related actions into a single case styled, *In re Fuwei Films Securities Litigation*, No. 07-CV-9416 (RJS). Docket no. 25.

43. On March 14, 2008, Lead Plaintiff filed the operative Consolidated Amended Complaint (the "Complaint"). Docket no. 28.

44. On May 14, 2008, the Fuwei Defendants and Underwriter Defendants each filed two different dismissal motions. Docket nos. 32, 35. Defendants argued, among other things, that the Complaint failed to plead an actionable misstatement or omission, Defendants had no duty to disclose the Shareholder Defendants' involvement in the transfer of the Production Lines, and that Plaintiffs were subject to a negative causation defense.

45. After the motions were fully brief, on July 10, 2009 the Court issued an order granting and denying in part the motions to dismiss. Docket no. 57. The Court found that the Complaint properly alleged misstatements and omissions in the Offering Documents concerning the: (a) the pending investigations and legal proceedings against Defendants Fuwei, Yin, and Wang; and (b) the non-disclosure of the Shareholder Defendants' involvement in the transfer of the Productions Lines. The Court dismissed the claims concerning the alleged nondisclosure of pending arbitration proceedings against Fuwei as immaterial as a matter of law. The Court also found that Lead Plaintiff did not have standing to bring claims under Section 12(a)(2) on behalf of after-market purchasers of Fuwei stock during the Class Period, and dismissed any claims under Section 12(a)(2) brought on behalf of after-market purchasers.

46. On September 9, 2009 the Fuwei Defendants and Shareholder Defendants filed two different answers to the Complaint. Docket nos. 60-61.

47. On October 5, 2009 the Court entered a Case Management Plan and Scheduling Order. Docket no. 64.

48. On March 26, 2010, Lead Plaintiff, Fuwei Defendants, Underwriter Defendants and Chartis, engaged in a mediation conference with nationally regarded mediator, Michael Young, Esq. of JAMS. Although the mediation was unsuccessful in reaching an immediate settlement, the Settling Parties continued their negotiations over the course of the following months with the aid of the mediator. Ultimately a Settlement was reached in principal between the Settling Parties to resolve this action.

49. From July 2010 and continuing through September 2010, the Settling Parties engaged in extensive negotiations concerning the specific terms of the Settlement, and documented it.

50. On September 16, 2010, Lead Plaintiff's Counsel filed the Stipulation and a motion for preliminary approval of the class action settlement. Docket Nos. 75-78.

51. On January 4, 2011, the Court signed an order: (i) preliminarily approving the class action settlement; (ii) preliminarily approving class certification for settlement; (iii) approving the form and manner of providing notice to the potential class members; and (iv) setting the final approval hearing for April 27, 2011 at 10 a.m. Docket No. 80.

III. CONTINUED LITIGATION POSED CONSIDERABLE AND SERIOUS RISKS TO THE CLASS

52. The outcome of any litigation is never a certainty. While Lead Plaintiff was successful in opposing Defendants' motions to dismiss, Lead Plaintiff was faced with successfully proving at the summary judgment and trial stages of the litigation such issues as the falsity and materiality of the subject statements, a duty to disclose the omitted facts, and refuting Defendants' statutory negative causation and due diligence defenses. There, Defendants would assert that their statements were truthful, and that they had no duty to disclose the omitted information. Defendants also would contend that they acted in good faith and reasonable diligence by relying on the advice of in-house and outside professionals when they passed on the Offering Documents. They would also argue that stock price declines alleged in this action were not the proximate result of the revelation of the alleged misstatements or omissions, but the result

of other market factors. As noted by Defendants, the price of Fuwei stock eventually rebounded to a higher price after certain alleged adverse disclosures were made.

53. Additionally, certain Individual Defendants will contend that they were not liable as controlling persons under Section 20(a) of the Exchange Act. Despite Lead Plaintiff's and Lead Plaintiff's Counsel's confidence in the strength of this case, the continued prosecution of this action is not without considerable risk as detailed below.

Risks of Proving Liability & Damages

54. Lead Plaintiff faced the risk of proving falsity or a material omission in the Offering Documents at the summary judgment and trial stages of the case. Defendants argued that the alleged misstatements and omissions are alleged to be false (in part) based on events that occurred after the IPO; they argued that their disclosures made in the Offering Documents were accurate and complete when made. While Lead Plaintiff was confident that allegations of falsity in the Complaint could be proved with competent and admissible evidence, Lead Plaintiff and Lead Plaintiff's Counsel recognized the risks associated with obtaining competent and admissible evidence to support these claims in light of the fact that a material portion of this evidence is located and/or controlled by persons in the PRC. Depositions are not permitted in the PRC, and compelling production of documents of third-parties or the PRC government itself is nearly impossible. Therefore, even routine evidentiary issues such as authenticating documents and/or establishing hearsay exceptions on documents obtained from third-parties located in the PRC would be very difficult and presented potentially insurmountable obstacles.

55. Throughout this litigation, Defendants have asserted that the alleged partial corrective disclosures of the wrongdoing alleged in this action did not proximately cause the Company's stock price to decline and did not damage Lead Plaintiff or the Class, or that such price declines were the result of other market forces unrelated to the alleged false Offering Documents. While Lead Plaintiff and Lead Plaintiff's Counsel believe that Defendants would not succeed on this negative causation defense, refuting the defense would have posed significant

risk and cost. Such an endeavor would have required extensive expert discovery, including depositions and rebuttal reports, and would result in the proverbial “battle of the experts.” Moreover, because there were certain aspects of the alleged corrective disclosures that, on their face, did not explicitly tie the alleged misconduct with the corrective information, and/or contained additional pieces of information, Lead Plaintiff’s faced a palpable risk that Defendants could succeed in minimizing Lead Plaintiff’s alleged damages.

56. Lead Plaintiff also faced the risk of establishing the proper measure and amount of damages. Lead Plaintiff’s best case scenario, as estimated by his damages expert, John Hammerslough, determined class-wide damages of \$12.4 million. These figures are disputed by Defendants and would be a hotly contested issue that would be time-consuming and costly to litigate. According to Defendants, Lead Plaintiff’s best case scenario of class-wide damages was only \$2.3 million. As noted elsewhere in this Declaration, damages are quite possibly as low as \$5.95 million given the constraints of Section 11(e) of the Securities Act.

57. Although Lead Plaintiff and Lead Plaintiff’s Counsel remain confident that they could present reliable expert testimony to sustain their burden on liability and damages, Lead Plaintiff and Lead Plaintiff’s Counsel cannot predict what the jury’s decision would have been when faced with competing experts. Settlement of this action eliminates the substantial risk posed by these complex and highly technical expert questions.

58. As to the Underwriter Defendants and individual Fuwei Defendants, Lead Plaintiff faced the statutory due diligence defense to liability under the Securities Act. These Defendants have maintained all along that they relied on the advice of numerous in-house and outside professionals in passing on the Offering Documents. While Lead Plaintiff’s counsel believed that there was a triable issue on the due diligence defense and that Lead Plaintiff could prevail on summary judgment and at trial, a positive result was not guaranteed.

59. Plaintiffs also faced the risk and expense of obtaining class certification.

Complexity, Expense and Likely Duration of the Litigation

60. The resolution of this action required the assessment of many complex issues of fact and law. As demonstrated above, numerous factual and legal questions exist as to liability and damages that would be subject to lengthy and expensive expert discovery, with no assurance that a jury would credit Lead Plaintiff's experts over those of Defendants.

61. Further litigation of this action would require the parties to extensively explore, through expensive and time-consuming expert discovery, issues relating to PRC law and the transfer of the production lines, the legal and professional opinions relied upon by the individual Fuwei Defendants and the Underwriter Defendants, negative cassation and damages.

62. The cost of conducting further discovery of evidence, almost all of which is located in the PRC, would be excessive, if it is even possible. The bulk of the relevant documentation and communications will be in Chinese, and the witnesses are likely to be Chinese speakers. These issues are further complicated by the fact that depositions are not permitted in China and so the cost of travel, interpreters, videographers, and the like will be extremely high.

63. Lead Plaintiff and Lead Plaintiff's Counsel have aggressively litigated this action. Given the complexity of the factual and legal issues in this case, the expense incurred through further pursuit of this action against Defendants would be substantial. Lead Plaintiffs' Counsel have already expended significant resources investigating the claims and assessing the legal strengths and weaknesses thereof. Considerably more time and money would need to be invested if Lead Plaintiff was required to obtain class certification and to complete documentary discovery, depositions and expert discovery and, ultimately, to take this action to trial.

64. Assuming that Lead Plaintiff could successfully defeat Defendants' summary judgment motions, the trial that Lead Plaintiff will face would be lengthy and complicated. On liability alone, the trial would have involved substantial attorney and expert time, voluminous documentary and deposition evidence, vigorously contested motions and the considerable use of judicial resources.

65. Even assuming that the Class could recover a larger judgment after one or more trials, the delay through the trial(s), post-trial motions and the appellate process would likely deny the Class any recovery for years and the continued costs of prosecution would erode any increased recovery. Moreover, if the case were to go to trial, the Chartis insurance policy would surely have no funds left for Lead Plaintiff to recover.

Stage of Proceedings

66. Lead Plaintiffs' Counsel has conducted a thorough evaluation of the strengths and weaknesses of the action. Lead Plaintiff's Counsel's investigation to date, which includes extensive review of documents, including the Defendants' and third-party initial document productions of over 75,000 pages of documents, expert consultation, and extensive factual and legal research, has assisted Lead Plaintiff and Lead Plaintiff's Counsel in evaluating the strengths and weaknesses of the action, the risks of litigation, and the challenges the Class would face at trial. Moreover, Lead Plaintiff was able to marshal the results of their investigation to prepare the operative pleadings, oppose Defendants' two respective motions to dismiss, and submit a compelling analysis of the action to Defendants and the mediator during settlement negotiations.

Range of Reasonableness/Ability of Defendants to Withstand a Greater Judgment

67. Lead Plaintiff's Counsel has analyzed the range of possible recovery against the probability of success and the determination of a reasonable settlement, and is not susceptible to a mathematical equation yielding a particularized sum.

68. In this case, Lead Plaintiff's expert calculated Class-wide damages of \$12.4 million. The \$2,150,000 settlement therefore represents a recovery of 17.3% of the total damages if Lead Plaintiff's damages model is accepted in its entirety. As noted elsewhere in this Declaration, Defendants contended that Plaintiffs' best case scenario of Class-wide damages was \$2.3 million; the Settlement represents 93% of that figure. Under the plain terms of Section 11(e) of the Securities Act damages could be as low as \$5.9 million (i.e. IPO price of \$8.28 per share less that value of the stock at the time the case was filed, \$6.90 per share); the Settlement

represents 36.4% of those damages. As such, the \$2,150,000 settlement falls well within the range of reasonableness for approval of a settlement in this action.

69. Another risk facing Lead Plaintiff is the ability to collect any future judgment. While the Chartis insurance policy totaled \$5 million, a significant portion has already been depleted by the costs of litigating this action, and certainly the balance of the policy would have been depleted before this action ever reached a verdict.

70. Fuwei is headquartered and has all of its operations in the PRC, and Fuwei was not covered by any insurance policy. Fuwei is a micro-cap company whose stock has consistently traded for less than \$5.00 per share. Therefore, even if Lead Plaintiff were to obtain a judgment against Fuwei, the Company has no real means to raise funds in the capital markets to pay a judgment.

71. In addition to Fuwei, other Individual Defendants are located in the PRC, and the likelihood of collecting any judgment against them is dismal. The Shareholder Defendants are judgment proof as all of their assets have been confiscated by the PRC government, they are incarcerated, and one of them is awaiting execution.

72. Settlement at this time avoids the aforementioned risks and further costly litigation, and provides Class Members with the opportunity to receive an immediate, certain, and substantial recovery. It is, therefore, the opinion of Lead Plaintiff's Counsel that the risks involved, balanced against the certainty of the substantial benefits obtained by the Settlement, more than justify approval of this Settlement.

73. As set forth above, Lead Plaintiff's Counsel have conducted extensive investigation into their claims. They have retained experts in connection with their claims, Defendants' defenses, and the damages incurred by the Class. Lead Plaintiff's Counsel has analyzed the information they have marshaled during their investigation and have thoroughly researched the law. Knowing the legal arguments with respect to the claims and the defenses and the risks of continued litigation, Lead Plaintiff's Counsel have concluded that the Settlement is fair, reasonable and adequate and in the best interests of the Class.

Reaction of the Class

74. Pursuant to the Court's Preliminary Approval Order, 21,323 copies of the Notice (the "Notice") were mailed to Class Members and a summary notice was disseminated electronically over *GlobeNewswire* and printed in the *Investor's Business Daily*. See Ex. 1, Mulholland Aff., ¶¶5, 7.

75. As of the date of this writing, only one shareholder has come forward to object to any aspect of the Settlement, Gautam and Aratidevi Sathe (the "Sathes"). A copy of the objection dated, March 3, 2011 is attached as Ex. C to the Mulholland Affidavit. The Sathes' object to the Plan of Allocation, and alternatively request exclusion from the Settlement if their objection is overruled. The Sathes do not otherwise object to the Settlement or Lead Plaintiff's Counsel's request for attorneys' fees and expenses or the award to Lead Plaintiff. The deadline to object to any aspect of the Settlement is April 13, 2011. See Ex., 1 Mulholland Aff., ¶9.

76. As further explained in Section V, *infra*. and the memorandum of law made in Support of the Motion for Final Approval ("Supporting Memorandum"), the Sathes' objection should be overruled, and they should be excluded from the Settlement because the Plan of Allocation was formulated by experienced counsel in consultation with a reputable expert and has a rational basis.

77. As of the date of this writing, other than the Sathes' request, no persons have submitted requests to be excluded from the settlement. See Ex. 1, Mulholland Aff., ¶10. The exclusion deadline was March 10, 2011. *Id.*

78. Because the proposed settlement has been overwhelmingly accepted by the members of the Class, this factor weighs heavily in favor of approving the Settlement, the Plan of Allocation, and the request for attorneys' fees, reimbursement of expenses, and the award to Lead Plaintiff.

IV. THE NOTICE OF THE SETTLEMENT WAS PROPERLY MADE TO THE CLASS

79. Pursuant to the Preliminary Approval Order, Lead Plaintiff caused over 21,300 copies of the Notice and Proof of Claim form to be mailed to potential Class Members, including nominee account holders and institutional groups, regarding the proposed Settlement of this action as described in the Mulholland Affidavit. *See* Ex. 1, Mulholland Aff. ¶5. Additionally, the Notice and Proof of Claim form were published on the Claims Administrator's website and a summary notice was also published electronically on *GlobeNewswire* and printed in the *Investor's Business Daily* on or before February 8, 2011. *See* Ex. 1, Mulholland Aff. ¶¶4, 7.

80. The Court-approved Notice explains the background and terms of the Settlement and provided potential members of the Class with the date of the final approval hearing. The Notice provides Class Members with a full and explicit explanation of the Settlement, the Plan of Allocation, the anticipated fee and expense requests and award to Lead Plaintiff and the rights and options of Class Members. *See* Ex. 1, Mulholland Aff., Ex. A. This Notice complies with the requirements of the Federal Rules of Civil Procedure, the PSLRA, and due process, and it is similar to the procedures approved in other cases.

81. The Notice provided Lead Plaintiff's Counsel's estimates of the per share recovery to Class members with and without the requested attorneys' fees and reimbursement of expenses. These calculations were made in consultation with Lead Plaintiff's damages expert. *See* Ex. 1, Mulholland Aff., Ex. A.

V. THE PLAN OF ALLOCATION SHOULD BE APPROVED AS IT IS FAIR AND REASONABLE

82. The Plan of Allocation was formulated by Lead Plaintiff's Counsel, in consultations with a well-respected and experienced financial consultant, John Hammerslough, and was designed to ensure distribution of the Net Settlement Fund that was fair and consistent with Lead Plaintiff's theory of the case, which asserted that there were declines in the price of Fuwei's stock reflecting several partial disclosures of the truth relating to the alleged misconduct; and to ensure the allocation comported with the federal securities laws including principles of loss causation and negative causation.

83. The Plan of Allocation does not compensate losses resulting from “in and out” transactions, *i.e.* losses from sales made prior to revelation of truth. *See Dura Pharmaceuticals, Inc. v. Broudo*, 544 U.S. 336, 342 (2005) (“But if, say, the purchaser sells the shares before the relevant truth begins to leak out, the misrepresentation will not have led to any loss”). Thus, the Plan of Allocation takes into account the partial corrective disclosures during the Class Period: (a) June 25, 2007, Pendency of criminal proceedings against the Shareholder Defendants, \$1.01/share or 14% stock price decline; (b) October 16, 2007, Chinese authorities arrest Shareholder Defendants, \$2.25/share or 24.5% stock price decline; (c) November 6, 2007, Murrell Hall had resigns because of arrests, \$1.12/share or 17.5% stock price decline; and (d) November 12, 2007, third production line financing could not be obtained due to Shareholder Defendants’ arrest, \$1.57/share or 33.5% stock price decline. The Plan of Allocation requires any gains from Class Period transactions to be netted with losses from Class Period transactions, which is rational and reasonable.

84. Therefore, shareholders, such as the Sathes, who incurred financial losses from shares *bought and sold* prior to a partial corrective disclosure, have no recognized losses under the Plan of Allocation. Attached hereto as Exhibit 4 is a true and correct copy of chart setting forth the Sathes’ transactions in Fuwei stock during the Class Period, demonstrating that their financial losses in Fuwei stock were all incurred from sales of Fuwei stock prior to the first June 25, 2007 partial disclosure. The Sathes’ later purchases and sales during the Class Period resulted in profits.

85. Perhaps most importantly, the Plan of Allocation does not discriminate between the partial corrective disclosures, as each authorized claimant will receive a *pro rata* share of the Net Settlement Fund (*i.e.*, Settlement Amount less attorneys’ fees and expenses, and award to Lead Plaintiff).

86. Lead Plaintiff’s Counsel and their financial consultant determined this was the fairest method of allocation of the Net Settlement Fund.

VI. THE REQUESTED ATTORNEYS’ FEES ARE FAIR AND REASONABLE

87. The percentage of recovery method for compensating attorneys in common fund cases is preferred and appropriate. First, it is consistent with applicable Second Circuit case law as set forth in the Supporting Memorandum. Second, it is consistent with practices of the private marketplace where contingency attorneys are customarily compensated on a percentage of the recovery method. Third, it provides Lead Plaintiff's Counsel with a strong incentive to achieve a maximum possible recovery in a reasonable amount of time. Fourth, use of the percentage method decreases the burden imposed upon the Court by the "lodestar" method and assures that Class Members do not experience undue delay in receiving their share of the Settlement.

88. Lead Plaintiff's Counsel seek an award of attorneys' fees of one-third of the Gross Settlement Fund, a percentage that is within the range of fees awarded in the this Circuit and other federal courts in cases of this type, as set forth in the Supporting Memorandum.

89. In light of such a favorable Settlement and the reasonableness of the fee requested, it is of no surprise that, as of the date of this writing, not a single person has come forward to object to the requested fee, out of over 21,300 Notices that were mailed to potential Class members. *See* Ex. 1, Mulholland Aff. ¶5.

90. From the inception of this action, Lead Plaintiff's Counsel has aggressively litigated this action. Lead Plaintiff's Counsel's experience in class action and securities litigation allowed them to identify complex issues involved in this action and to formulate strategies to effectively and efficiently prosecute a litigation of this complexity. Additionally, Lead Plaintiff's Counsel submits that their reputation as attorneys able and willing to see a meritorious case through trial and appeals assisted in the Settlement negotiations.

91. As discussed above, Lead Plaintiff and Lead Plaintiff's Counsel faced significant risks in pursuing this action. In fact, this was not an action where any recovery was assured. Adding to these risks, Lead Plaintiff's Counsel have received no compensation during the time the action has been pending. Their fees are totally contingent and dependent upon a successful result and an award by this Court. Lead Plaintiff's Counsel believes that the outstanding Settlement was primarily the result of their persistence, hard work, and skill.

92. The quality legal services performed by Lead Plaintiff's Counsel in attaining the Settlement should also be evaluated in light of the quality of the opposition. The Defendants were represented by able counsel. Indeed, the Fuwei defendants were represented by Loeb & Loeb LLP, a firm that possesses significant experience in complex securities litigation. Additionally, the Underwriter Defendants was represented by DLA Piper LLP, which also has significant experience in complex securities litigation. These firms spared no effort in the defense of their clients. In the face of this substantial opposition Lead Plaintiff's Counsel were nonetheless able to develop the case that was sufficiently strong to settle the action on terms that were favorable to the Class.

93. The fairness and reasonableness of the requested fee is further demonstrated when "cross-checked" with the lodestar/multiplier analysis.

94. Lead Plaintiff's Counsel, The Rosen Law Firm, P.A., expended a total of 1,131.7 hours of professional time for a total lodestar of \$576,751, as evidenced in the Declaration of Laurence Rosen on behalf of the Rosen Law Firm, P.A. (attached hereto as Exhibit 3).

95. Granting Lead Plaintiff's Counsel's requested fee of one-third of the Gross Settlement Fund (\$716,666.66) results in a multiplier of 1.24.

96. The following table provides a summary of the lodestar analysis:

Summary Lodestar Analysis

	<u>Lodestar Value</u>
Rosen Law Firm Lodestar	\$ 576,751.00
Gross Settlement Fund	\$ 2,150,000
Requested Fee (33.3% of Gross Settlement Fund)	\$ 716,667
Total Value of Work Performed (Total Lodestar)	\$ 576,751
Lodestar Multiplier	1.24

97. As set forth in the Supporting Memorandum, a lodestar multiplier of 1.24 is at the low-end of the range of a fair and reasonable award.

VII. THE EXPENSES INCURRED WERE NECESSARY TO EFFECTIVELY PROSECUTE THIS ACTION

98. Lead Plaintiff's Counsel also request reimbursement of \$38,590.64 in expenses they incurred to prosecute this action. In addition to travel expenses, online legal research, copying costs, postage, court filing fees, and other similar costs, Lead Plaintiff's Counsel incurred substantial expense in connection with the retention of an expert and private investigators. The expenses incurred were necessary to effectively prosecute this action and reflect the records of Lead Plaintiff's Counsel. *See* Ex. 3.

VIII. A NOMINAL AWARD TO LEAD PLAINTIFF IS APPROPRIATE

99. Lead Plaintiff Nijat Tonyaz also seeks an award for his lost time and efforts in prosecution and oversight of this action pursuant to the PSRLA. Lead Plaintiff seeks a nominal award of \$2,500.

100. Lead Plaintiff conducted numerous telephone conferences and email exchanges with Lead Counsel in connection his oversight and prosecution of this action, including Settlement negotiations. Lead Plaintiff was provided and reviewed the numerous pleadings and filings in this action, and discussions were had with Lead Counsel concerning the filings, case strategies, and Settlement. In the opinion of Lead Counsel, Mr. Tonyaz's active participation and the significant effort he expended in prosecuting this Action has materially aided the efficient Settlement achieved in this Action. As such, the requested \$2,500 award to Lead Plaintiff is fair and reasonable.

I declare under penalty of perjury that the foregoing is true and correct.

Executed, this 28th day of March, 2011.

Respectfully submitted,

THE ROSEN LAW FIRM, P.A.

/s/ Phillip Kim

PHILLIP KIM (PK 9384)

CERTIFICATE OF SERVICE

I hereby certify that on this on the 28th day of March, 2011, a true and correct copy of the foregoing document was served by CM/ECF to the parties registered to the Court's CM/ECF system.

/s/Phillip Kim

EXHIBIT 1

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

-----X :

IN RE FUWEI FILMS SECURITIES : Case no. 07-CV-9416 (RJS)

LITIGATION :

-----X :

**DECLARATION OF PAUL MULHOLLAND, CPA CVA
CONCERNING MAILING OF NOTICE OF PENDENCY AND SETTLEMENT OF
CLASS ACTION AND PROOF OF CLAIM AND RELEASE FORM**

I, Paul Mulholland, declare:

1. I submit this declaration in order to provide the Court and the parties to the above-captioned litigation with information regarding the mailing of the Notice of Pendency and Settlement of Class Action (“Notice”) and the Proof of Claim and Release form (“Claim Form”) (collectively, “Notice and Claim Form”) and the publication of the Summary Notice (“Publication Notice”). Please see **Exhibit A** for the Notice and Claim Form. I am over 21 years of age and am not a party to this action. I have personal knowledge of the facts set forth herein and, if called as a witness, could and would testify competently thereto.

2. I am the President of Strategic Claims Services (“SCS”), a nationally recognized claims administration firm. I am a Certified Public Accountant and a Certified Valuation Analyst. I have over seventeen (17) years of experience specializing in claims administration for class action settlements and I have administered over two-hundred fifty (250) cases. SCS was established in April 1999 and has administered over two-hundred (200) class actions settlements since its inception.

3. SCS was retained by The Rosen Law Firm, P.A. to provide administrative services as part of the settlement administration process in the above-captioned litigation. Our

services include printing and mailing of the Notice and Claim Form; supplying the Notice and Claim Form to the Class; notifying brokerage firms or other nominee accounts of the appropriate manner to provide individual notice to class members, both individually and on a published basis; tracking requests for exclusion; distributing, accepting and processing Claim Forms filed by class members; reviewing submitted Claim Forms for accuracy and completeness and to ensure that they are supported by sufficient documentary evidence; providing notices to those claims that are deficient or rejected, when appropriate; calculating recognized losses of the class, on both an individual and classwide basis; and all other services necessary to administer this securities litigation class action (“Settlement”).

4. To provide actual notice to those persons and entities who purchased or otherwise acquired the common stock (“Stock”) of Fuwei Films (Holdings), Co., Ltd. (“Fuwei”) during the period from December 19, 2006 through and including November 12, 2007 (“Class Period”), we mailed, by first class mail, postage prepaid, the Notice and Claim Form approved by the Court to all individuals and organizations identified on the records of Fuwei’s transfer agent. These records reflect persons and entities that purchased or otherwise acquired the common stock of Fuwei for their own account or for the account(s) of others during the Class Period. Also, DLA Piper provided a list of purchasers of Fuwei stock pursuant to the IPO. The Notice along with a letter was also mailed or emailed to all brokerage companies, banks and trust companies contained on our master mailing list notifying them of the settlement and asking them to either send the Notice and Claim Form to beneficial owners within 14 days from receipt or provide SCS with a list of names and addresses of such beneficial owners so that SCS could promptly mail the Notice and Claim Forms directly to them. SCS maintains a master list consisting of the 1,268 largest banks and brokerage companies (“Nominee Account Holders”), as well as 767 mutual funds, insurance companies, pension funds, and money managers (“Institutional Groups”) which may have traded or owned Fuwei’s common stock in their clients’ or their own

accounts. The Notice and Claim Forms were mailed or emailed on or before January 25, 2011 as required by the Order Preliminarily Approving Settlement and Providing for Notice Pursuant to Rule 23 of the Federal Rules of Civil Procedure, dated January 4, 2011 (the "Court's January 4, 2011 Order"). Moreover, the Notice and Claim Form was made available to the public at SCS's website.

5. To date, 21,323 Notice and Claim Forms have been mailed. SCS mailed 6 Notice and Claim Forms to individuals and organizations from the shareholders' list provided by the transfer agent and 1,012 from the DLA Piper list of IPO purchasers. As noted above, 2,035 Notice and Claim Forms were sent to Nominee Account Holders and Institutional Groups. Also, to date, an additional 18,270 Notice and Claim Forms were requested by, and provided to, the Nominee Account Holders and Institutional Groups and other individuals.

6. Out of the 21,323 Notice and Claim Forms mailed, 450 were returned as undeliverable. The 450 were "skip-traced" to get updated addresses and re-mailed if updated addresses were provided.

7. As required by the Court's January 4, 2011 Order, the Publication Notice was published in *Investor's Business Daily* and published electronically on the *Globe Newswire* on or before February 8, 2011, as shown in the confirmation of publication attached hereto as **Exhibit B**.

8. The notice procedures described in paragraphs three (3) through seven (7) above are consistent with the procedures I have used in each of the class action securities litigation cases in which I have been involved with over the past seventeen years.

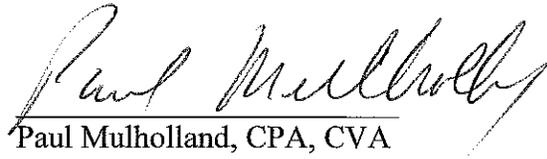
9. SCS has received one objection. **Exhibit C** is a copy of the objection filed by Gautam and Aratidevi Sathe (the "Sathes"). The deadline for objections is April 13, 2011. The Sathes request in the alternative that they be excluded from the Settlement should their objection be overruled.

10. Other than the Sathe's request noted above, SCS has received no other requests for exclusion. The deadline for the exclusion requests was March 10, 2011.

11. To date, SCS has received 985 claim forms. The claims filing deadline was March 10, 2011.

I declare under penalty of perjury that the foregoing is true and correct.

Signed this 28th day of March, 2011, in Media, Pennsylvania.


Paul Mulholland, CPA, CVA

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

IN RE FUWEI FILMS SECURITIES LITIGATION

Case No. 07-CV-9416 (RJS)

NOTICE OF PENDENCY AND SETTLEMENT OF CLASS ACTION

If you purchased or otherwise acquired the common stock (“Stock”) of Fuwei Films (Holdings), Co., Ltd. (“Fuwei” or the “Company”) during the period from December 19, 2006 through and including November 12, 2007, you could get a payment from a class action settlement (the “Settlement”).

Under law, a federal court has authorized this notice.

- If approved by the Court, the settlement will provide \$2,150,000, plus interest (the “Settlement Amount”), to pay claims of investors who purchased Fuwei Stock during the period from December 19, 2006 through and including November 12, 2007 (the “Class Period”). Of the total Settlement Amount, \$200,000 will not be provided until 10 business days after the Settlement is approved by the Court or July 1, 2011, whichever date is later.
- The Settlement represents an average recovery of \$0.50 per share of Fuwei Stock for the 4,312,500 million shares that were issued in connection with the Company’s initial public offering on December 19, 2006 (“IPO”) and available for purchase during the Class Period. A share may have been traded more than once during the Class Period. This estimate solely reflects the average recovery per outstanding share of Fuwei Stock. The indicated average recovery per share will be the total average recovery for all purchasers of that share. This is not an estimate of the actual recovery per share you should expect. Your actual recovery will depend on the aggregate losses of all Class Members, the date(s) you purchased and sold Fuwei Stock, and the total number of claims filed.
- Attorneys for the Lead Plaintiff (“Class Counsel”) intend to ask the Court to award them fees of up to one-third of the Settlement Amount, reimbursement of litigation expenses not to exceed \$75,000, and an award to Lead Plaintiff not to exceed \$2,500. Collectively, the attorneys’ fees and expenses are estimated to average \$0.18 per share of Fuwei Stock. If approved by the Court, these amounts will be paid from the Settlement Fund.
- The approximate recovery, after deduction of attorneys’ fees and expenses approved by the Court, is an average of \$0.31 per share of Fuwei Stock. This estimate is based on the assumptions set forth in the preceding paragraph. Your actual recovery, if any, will vary depending on your purchase price and sales price, and the number of Proof of Claim forms filed.
- The Settlement resolves the lawsuit concerning whether the Registration Statement and Prospectus issued in connection with Fuwei’s IPO were materially false and misleading, in violation of federal securities laws, based upon the following allegations set forth in the Consolidated Amended Complaint: (1) Fuwei allegedly acquired its main operating assets, the Production Lines, through transactions that were neither lawful nor valid transactions under Chinese laws and regulations; (2) Defendants allegedly failed to disclose pending investigations and threatened legal proceedings involving the Company’s Production Lines and Fuwei at the time of the IPO; and (3) Defendants allegedly failed to disclose the full extent of the participation on both sides of the transactions in the transfer of the Production Lines to Fuwei by Jun Yin, Tongju Zhou, and Duo Wang (the “Shareholder Defendants”). Defendants Fuwei Films (Holdings), Co., Ltd (“Fuwei” or the “Company”), Xiaoan He (“He”), and Mark Stulga (“Stulga”) (collectively, the “Fuwei Defendants”); and Defendants Maxim Group LLC, WR Hambrecht + Co, and Chardan Capital Markets, LLC (the “Underwriter Defendants”), who are collectively the “Settling Defendants,” deny the allegations in the lawsuit and deny any wrongdoing. The Settling Defendants and Lead Plaintiff disagree on liability and damages.
- Your legal rights will be affected whether you act or do not act. If you do not act, you may permanently forfeit your right to recover on this claim. Therefore, you should read this notice carefully.

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT

SUBMIT A CLAIM FORM NO LATER THAN MARCH 10, 2011	The only way to get a payment.
EXCLUDE YOURSELF NO LATER THAN MARCH 10, 2011	Get no payment. This is the only option that allows you to be part of any other lawsuit against Defendants about the legal claims in this case.
OBJECT NO LATER THAN APRIL 13, 2011	Write to the Court about why you do not like the settlement.
GO TO A HEARING ON APRIL 27, 2011	Speak in Court about the fairness of the settlement.
DO NOTHING	Get no payment. Give up rights.

INQUIRIES

Please do not contact the Court regarding this notice. All inquiries concerning this Notice, the Proof of Claim form, or any other questions by Class members should be directed to:

Fuwei Films Securities Litigation
Claims Administrator
c/o Strategic Claims Services
P.O. Box 230
600 N. Jackson Street, Suite 3
Media, PA 19063
Tel: (866) 274-4004
www.strategicclaims.net

COMMON QUESTIONS AND ANSWERS CONCERNING THE SETTLEMENT

1. Why did I get this Notice?

You or someone in your family may have acquired Fuwei Stock during the Class Period.

2. What is this lawsuit about?

The case is known as In re Fuwei Films Securities Litigation, Case No. 07-CV-9416 (the “Litigation”), and the Court in charge of the case is the United States District Court for the Southern District of New York.

The Class Action involves whether Defendants violated the federal securities laws because the Registration Statement and Prospectus issued in connection with the Company’s IPO that the Complaint alleges were materially false and misleading for the following reasons alleged in the Complaint: (1) Fuwei had acquired its main operating assets, the Production Lines, through transactions that were neither lawful nor valid transactions under Chinese laws and regulations; (2) Defendants failed to disclose pending investigations and threatened legal proceedings involving the Company’s Production Lines and Fuwei at the time of the IPO; and (3) Defendants failed to disclose the full extent of the participation on both sides of the transactions in the transfer of the Production Lines to Fuwei by the “Shareholder Defendants.” The Settling Defendants deny they did anything wrong. The Settlement resolves all of the claims in the Class Action.

3. Why is this a class action?

In a class action, one or more persons and/or entities, called Lead Plaintiffs, sue on behalf of all persons and/or entities who have similar claims. All of these persons and/or entities are referred to collectively as a Class, and these individual persons and/or entities are known as Class Members. One court resolves all of the issues for all Class Members, except for those Class Members who exclude themselves from the Class.

4. Why is there a Settlement?

Lead Plaintiff and Settling Defendants do not agree regarding the merits of Lead Plaintiff’s allegations with respect to liability or the average amount of damages per share that would be recoverable if Lead Plaintiff were to prevail at trial on each claim. The issues on which the Lead Plaintiff and Settling Defendants disagree include: (1) whether the Registration Statement and Prospectus issued in connection with the IPO included any materially false or misleading statements; (2) whether the Registration Statement and Prospectus issued in connection with the IPO failed to disclose any material facts that the Company had a duty to disclose at the time of the IPO; (3) whether the Defendants conducted a reasonable investigation of the disclosures in the Registration Statement and Prospectus issued in connection with the IPO and reasonably believed them to be true; (4) whether the statements were the cause of the Class Members’ alleged damages; and (5) the amount of damages, if any, suffered by the Class Members.

This matter has not gone to trial and the Court has not decided in favor of either Lead Plaintiff or Defendants. Instead, Lead Plaintiffs and Settling Defendants have agreed to settle the Class Action. The Lead Plaintiff and Class Counsel believe the settlement is best for all Class Members because of the risks associated with continued litigation and the nature of the defenses raised by the Settling Defendants. Even if Plaintiffs win at trial, and also withstand Defendants’ inevitable challenge on appeal, Plaintiffs might not be able to collect some, or all, of the judgment.

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

To be a Class Member, you must have purchased or otherwise acquired Fuwei Stock during the period from December 19, 2006 through and including November 12, 2007, and suffered losses on your investment.

6. Are there exceptions to being included?

Yes. You are not a Class Member if you are a Defendant, a member of a Defendant’s immediate family, a Defendant’s legal representative, heir, predecessor, successor, assign, any entity in which any Defendant has or had a controlling interest, or any persons who have separately filed actions against one or more of the Defendants, based in

whole or in part on any claim arising out of or relating to any of the alleged acts, omissions, misrepresentations, facts, events, matters, transactions, or occurrences referred to in the Litigation or otherwise alleged, asserted, or contended in the Litigation. Also, if you exclude yourself from the Class, as described below, you are not a part of the Class.

7. What does the Settlement provide?

a. What is the Settlement Fund?

The proposed Settlement calls for Defendants to create a Settlement Fund (the "Settlement Fund") in the amount of \$2,150,000. Of the total Settlement Amount, \$200,000 will not be provided until 10 business days after the Settlement is approved by the Court or July 1, 2011, whichever date is later. The Settlement is subject to Court approval. Also, subject to the Court's approval, a portion of the Settlement Fund will be used to pay Lead Plaintiff's attorneys' fees and reasonable litigation expenses and any award to Lead Plaintiff. A portion of the Settlement Fund also will be used to pay taxes due on interest earned by the Settlement Fund, if necessary, and any notice and claims administration expenses permitted by the Court. After the foregoing deductions from the Settlement Fund have been made, the amount remaining (the "Net Settlement Fund") will be distributed to Class Members who submit valid claims.

b. What can you expect to receive under the proposed Settlement?

Your share of the Net Settlement Fund will or may depend on: (i) the number of claims filed; (ii) the dates you purchased and sold Fuwei Stock; (iii) the prices of your purchases and sales; (iv) the amount of administrative costs, including the costs of notice; and (v) the amount awarded by the Court to Lead Plaintiff and Class Counsel for attorneys' fees, costs, and expenses.

The compensable loss per share ("Recognized Loss") of each Authorized Claimant shall be calculated according to the following formula:

1. For shares purchased and sold between December 19, 2006 and June 24, 2007, inclusive, Recognized Loss is zero.
2. For shares purchased between December 19, 2006 and June 24, 2007, inclusive, and held on November 12, 2007, Recognized Loss per share is the lesser of:
 - A. \$5.17.
 - B. The price paid less the price received if sold prior to June 30, 2008.
 - C. \$8.28 less the price received if sold prior to June 30, 2008.
 - D. The price paid less \$3.11.
3. For Shares purchased between December 19, 2006, and June 24, 2007 inclusive and sold between November 6, 2007 and November 11, 2007, inclusive, Recognized Loss per share is the lesser of:
 - A. \$3.03.
 - B. \$8.28 less the price received.
 - C. The price paid less the price received.
 - D. The price paid less \$5.25.
4. For Shares purchased between December 19, 2006, and June 24, 2007 inclusive and sold between October 16, 2007 and November 5, 2007 inclusive, Recognized Loss per share is the lesser of:
 - A. \$.98.
 - B. \$8.28 less the price received.
 - C. The price paid less the price received.
 - D. The price paid less \$7.30.
5. For Shares purchased between December 19, 2006, and June 24, 2007 inclusive and sold between June 25, 2007 and October 15, 2007, inclusive, Recognized Loss per share is the lesser of:
 - A. \$1.01.
 - B. \$8.28 less the price received.
 - C. The price paid less the price received.
 - D. The price paid less \$6.14.
6. For shares purchased and sold between June 25, 2007, and October 15, 2007, inclusive, Recognized Loss is zero.
7. For shares purchased between June 25, 2007, and October 15, 2007, inclusive, and held on November 12, 2007, Recognized Loss per share is the lesser of:
 - A. \$4.84.
 - B. The price paid less the price received if sold prior to June 30, 2008.

- C. \$8.28 less the price received if sold prior to June 30, 2008.
D. The price paid less \$3.11.
8. For Shares purchased between June 25, 2007 and October 15, 2007 inclusive and sold between November 6, 2007 and November 11, 2007, inclusive, Recognized Loss per share is the lesser of:
A. \$3.03.
B. \$8.28 less the price received.
C. The price paid less the price received.
D. The price paid less \$5.25.
9. For Shares purchased between June 25, 2007 and October 15, 2007 inclusive and sold between October 16, 2007 and November 5, 2007, inclusive, Recognized Loss per share is the lesser of:
A. \$0.98.
B. \$8.28 less the price received.
C. The price paid less the price received.
D. The price paid less \$7.30.
10. For shares purchased and sold between October 16, 2007 and November 5, 2007, inclusive, Recognized Loss is zero.
11. For shares purchased between October 16, 2007 and November 5, 2007, inclusive, and held on November 12, 2007, Recognized Loss per share is the lesser of:
A. \$2.69.
B. The price paid less the price received if sold prior to June 30, 2008.
C. \$8.28 less the price received if sold prior to June 30, 2008.
D. The price paid less \$3.11.
12. For Shares purchased between October 16, 2007, and November 5, 2007 inclusive and sold between November 6, 2007 and November 11, 2007, inclusive, Recognized Loss per share is the lesser of:
A. \$1.12.
B. \$8.28 less the price received.
C. The price paid less the price received.
D. The price paid less \$5.25.
13. For shares purchased and sold between November 6, 2007 and November 11, 2007, inclusive, Recognized Loss is zero.
14. For shares purchased between November 6, 2007 and November 11, 2007, inclusive, and held on November 12, 2007, Recognized Loss per share is the lesser of:
A. \$2.25
B. The price paid less the price received if sold prior to June 30, 2008.
C. \$8.28 less the price received if sold prior to June 30, 2008.
D. The price paid less \$3.11.
15. For shares purchased on November 12, 2007, Recognized Loss per share is the lesser of:
A. The price paid less the price received if sold prior to June 30, 2008.
B. The price paid less \$3.11.
- c. Are there any further limitations on the amount I may receive?**
- i) To the extent there are sufficient funds in the Net Settlement Fund, each Class Member with a Recognized Loss that satisfies the requirements approved by the Court (“Authorized Claimant”) will receive an amount equal to the Authorized Claimant’s Recognized Loss described above. If, however, the amount in the Net Settlement Fund is not sufficient to permit payment of the total Recognized Loss of each Authorized Claimant, then each Authorized Claimant shall be paid the percentage of the Net Settlement Fund that each Authorized Claimant’s Recognized Loss bears to the total of the Recognized Losses of all Authorized Claimants.
- ii) For Class members who conducted multiple transactions in Fuwei Stock during the Class Period, the earliest subsequent sale shall be matched first against those shares in the Claimant’s opening position on the first day of the Class Period, and then matched chronologically thereafter against each purchase made during the Class Period.
- iii) Transactions during the Class Period resulting in a gain shall be netted against the Class Members transactions resulting in a loss to arrive at the Recognized Loss.

- iv) Any Class members whose collective transactions in Fuwei Stock during the Class Period resulted in a net gain shall not be entitled to share in the Net Settlement Fund.
- v) The purchase and sales prices exclude any brokerage commissions, transfer taxes or other fees.
- vi) The covering purchase of a short sale is not an eligible purchase. Gifts and transfers are not eligible purchases.

8. How can I get a payment?

To qualify for a payment, you must send in a form entitled “Proof of Claim and Release” form. This claim form is attached to this Notice. You may also obtain a claim form on the Internet at www.strategicclaims.net. Read the instructions carefully, fill out the form, sign it in the location indicated, and mail the claim form together with all documentation requested in the form, postmarked no later than March 10, 2011, to:

Fuwei Films Securities Litigation
Claims Administrator
c/o Strategic Claims Services
P.O. Box 230
600 N. Jackson Street, Suite 3
Media, PA 19063

The Claims Administrator will process your claim and determine whether you are an “Authorized Claimant.”

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

Unless you exclude yourself, you will remain in the Class. That means that if the Settlement is approved, you and all Class Members will release (agreeing never to sue, continue to sue, or be part of any other lawsuit) all claims against Defendants, any of their current, former, or future parents, subsidiaries, affiliates, partners, joint venturers, officers, directors, principals, shareholders, members, agents (acting in their capacity as agents), employees, attorneys, insurers, reinsurers, advisors, accountants, associates, and/or any other individual or entity in which any Defendant has a controlling interest or which is related to or affiliated with any of the Defendants, and the current, former, and future legal representatives, heirs, successors in interest, or assigns of the Defendants (“Released Parties”) in connection with your acquisition of Fuwei Stock during the Class Period, except that you do not release the Released Parties from any claim or action to enforce the Settlement. It also means that all of the Court’s orders will apply to you and legally bind you. If you sign the claim form, you are agreeing to a “Release of Claims,” which will bar you from ever filing a lawsuit against any Released Party to recover losses from the acquisition or sale of Fuwei Stock during the Class Period, except to enforce the Settlement. That means you will accept a share in the Net Settlement Fund as sole compensation for any losses you have suffered in the acquisition and sale of Fuwei Stock during the Class Period.

10. How do I get out of the Settlement?

If you do not want to receive a payment from this Settlement, and you want to keep the right to sue or continue to sue Defendants on your own based on the legal claims raised in this Class Action, then you must take steps to get out of the Settlement. This is called excluding yourself from – or “opting out” of – the Settlement. To exclude yourself from the Settlement, you must mail a letter stating you want to be excluded as a Class Member from In re Fuwei Films Securities Litigation, Case No. 07-CV-9416. Be sure to include your name, address, telephone number and your signature, along with an accurate list of all of your purchases and sales of Fuwei Stock. You must mail your exclusion request, postmarked no later than March 10, 2011, to:

Fuwei Films Securities Litigation
Claims Administrator
c/o Strategic Claims Services
P.O. Box 230
600 N. Jackson Street, Suite 3
Media, PA 19063

You cannot exclude yourself by telephone or by e-mail. If you ask to be excluded, you will not receive a settlement payment, and you cannot object to the Settlement. If you ask to be excluded, you will not be legally bound by anything that happens in this Class Action.

11. If I do not exclude myself, can I sue Defendants for the same thing later?

No. Unless you exclude yourself, you give up any right to sue Defendants for the claims that this Settlement resolves. If you have a pending lawsuit, speak to your lawyer in that case immediately, since you may have to exclude yourself from this Class to continue your own lawsuit.

12. Do I have a lawyer in this case?

The Court appointed The Rosen Law Firm, P.A. to represent you and the other Class Members. These lawyers are called Lead Plaintiff's Counsel or Class Counsel. If you want to be represented by your own lawyer, you may hire one at your own expense.

13. How will the lawyers be paid?

Class Counsel have expended considerable time litigating this action on a contingent fee basis, and have paid for the expenses of the litigation themselves and have not been paid attorneys' fees in advance of this Settlement with the expectation that if they are successful in recovering money for the Class, they will receive attorneys' fees and be reimbursed for their litigation expenses from the Settlement Fund, as is customary in this type of litigation. Class Counsel will not receive attorneys' fees or be reimbursed for their litigation expenses except from the Settlement Fund. Therefore, Class Counsel will file a motion asking the Court at the Settlement Hearing to make an award of attorneys' fees in an amount not to exceed one-third of the Settlement amount, for reimbursement of reasonable litigation expenses not to exceed \$75,000, and an award to the Lead Plaintiff in an amount not to exceed \$2,500. The Court may award less than these amounts. Any amounts awarded by the Court will come out of the Settlement Fund.

14. How do I tell the Court that I do not like the Settlement?

You can tell the Court you do not agree with the Settlement, any part of the Settlement, or Class Counsel's motion for attorneys' fees, and that you think the Court should not approve the Settlement, by mailing a letter stating that you object to the Settlement in the matter of In re Fuwei Films Securities Litigation, Case No. 07-CV-9416. Be sure to include your name, address, telephone number, your signature, a list of your purchases and sales of Fuwei Stock in order to show your membership in the Class, and all of the reasons you object to the Settlement. Be sure to mail the objections to the three different places listed below, postmarked no later than April 13, 2011, so the Court will consider your views:

COURT	CLASS COUNSEL	DEFENSE COUNSEL
Clerk of the Court United States District Court Southern District of New York 500 Pearl Street New York, New York 10007	Phillip Kim, Esq. THE ROSEN LAW FIRM, P.A. 275 Madison Avenue, Suite 3400 New York, New York 10016	Laura M. Vasey, Esq. LOEB & LOEB LLP 345 Park Avenue New York, New York 10154

15. What is the difference between objecting and requesting exclusion?

Objecting is simply telling the Court you do not like something about the Settlement. You can object only if you stay in the Class. Requesting exclusion is telling the Court you do not want to be part of the Class and Settlement. If you exclude yourself, you cannot object to the Settlement because it no longer concerns you.

16. When and where will the Court decide whether to approve the Settlement?

The Court will hold a Settlement Hearing on April 27, 2011, at 10:00 a.m., at the United States District Court for the Southern District of New York, 500 Pearl Street, New York, New York 10007.

At this hearing, the Court will consider whether the Settlement is fair, reasonable, and adequate and whether to approve the Settlement. If there are objections, the Court will consider them, and the Court will listen to people who have asked to speak at the hearing. The Court may also decide how much to pay Class Counsel for attorneys' fees and expenses.

17. Do I have to come to the hearing?

No. Class Counsel will answer any questions the Court may have. However, you are welcome to attend at your own expense. If you send an objection, you do not have to come to Court to talk about it. As long as you mail your written objection on time, the Court will consider it.

18. What happens if I do nothing at all?

If you do nothing, you will not receive a payment from the Settlement. However, unless you exclude yourself, you will not be able to start a lawsuit, continue with a lawsuit, or be part of any other lawsuit against Defendants about the claims made in this case ever again.

DATED: JANUARY 4, 2011.

BY ORDER OF THE UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF NEW YORK

**Fuwei Films Securities Litigation
Claims Administrator
c/o Strategic Claims Services
P.O. Box 230
600 N. Jackson Street, Suite 3
Media, PA 19063**

PROOF OF CLAIM AND RELEASE

Deadline for Submission: March 10, 2011

IF YOU PURCHASED THE COMMON STOCK OF FUWEI FILMS (HOLDINGS), CO., LTD. DURING THE PERIOD FROM DECEMBER 19, 2006 THROUGH NOVEMBER 12, 2007, INCLUSIVE (THE "CLASS PERIOD"), YOU ARE A "CLASS MEMBER" AND YOU MAY BE ENTITLED TO SHARE IN THE SETTLEMENT PROCEEDS.

IF YOU ARE A CLASS MEMBER, YOU MUST COMPLETE AND SUBMIT THIS FORM IN ORDER TO BE ELIGIBLE FOR ANY SETTLEMENT BENEFITS.

YOU MUST COMPLETE AND SIGN THIS PROOF OF CLAIM AND RELEASE ("PROOF OF CLAIM") AND MAIL IT BY FIRST CLASS MAIL, POSTMARKED NO LATER THAN MARCH 10, 2011 TO STRATEGIC CLAIMS SERVICES, THE CLAIMS ADMINISTRATOR, AT THE FOLLOWING ADDRESS:

Fuwei Films Securities Litigation
Claims Administrator
c/o Strategic Claims Services
P.O. Box 230
600 N. Jackson Street, Suite 3
Media, PA 19063

YOUR FAILURE TO SUBMIT YOUR CLAIM BY MARCH 10, 2011 WILL SUBJECT YOUR CLAIM TO REJECTION AND PRECLUDE YOUR RECEIVING ANY MONEY IN CONNECTION WITH THE SETTLEMENT OF THIS ACTION. DO NOT MAIL OR DELIVER YOUR CLAIM TO THE COURT OR TO ANY OF THE PARTIES OR THEIR COUNSEL AS ANY SUCH CLAIM WILL BE DEEMED NOT TO HAVE BEEN SUBMITTED. SUBMIT YOUR CLAIM ONLY TO THE CLAIMS ADMINISTRATOR.

CLAIMANT'S STATEMENT

1. I (we) purchased common stock in Fuwei Films (Holdings), Co., Ltd. ("Fuwei") and was (were) damaged thereby. (Do not submit this Proof of Claim if you did not purchase Fuwei common stock during the designated Class Period).
2. By submitting this Proof of Claim, I (we) state that I (we) believe in good faith that I am (we are) a Class Member as defined above and in the Notice of Pendency and Settlement of Class Action (the "Notice"), or am (are) acting for such person(s); that I am (we are) not a Defendant in the Actions or anyone excluded from the Class; that I (we) have read and understand the Notice; that I (we) believe that I am (we are) entitled to receive a share of the Net Settlement Fund, as defined in the Notice; that I (we) elect to participate in the proposed Settlement described in the Notice; and that I (we) have not filed a request for exclusion. (If you are acting in a representative capacity on behalf of a Class Member [e.g., as an executor, administrator, trustee, or other representative], you must submit evidence of your current authority to act on behalf of that Class Member. Such evidence would include, for example, letters testamentary, letters of administration, or a copy of the trust documents.)
3. I (we) consent to the jurisdiction of the Court with respect to all questions concerning the validity of this Proof of Claim. I (we) understand and agree that my (our) claim may be subject to investigation and discovery under the Federal Rules of Civil Procedure, provided that such investigation and discovery shall be limited to my (our) status as a Class Member(s) and the validity and amount of my (our) claim. No discovery shall be allowed on the merits of the Litigation or Settlement in connection with processing of the Proof of Claim.
4. I (we) have set forth where requested below all relevant information with respect to each purchase of Fuwei common stock during the Class Period, and each sale, if any, of such securities. I (we) agree to furnish additional information to the Claims Administrator to support this claim if requested to do so.
5. I (we) have enclosed photocopies of the stockbroker's confirmation slips, stockbroker's statements, or other documents evidencing each purchase, sale or retention of Fuwei common stock listed below in support of my (our) claim. (IF ANY SUCH DOCUMENTS ARE NOT IN YOUR POSSESSION, PLEASE OBTAIN A COPY OR EQUIVALENT DOCUMENTS FROM YOUR BROKER BECAUSE THESE DOCUMENTS ARE NECESSARY TO PROVE AND PROCESS YOUR CLAIM.)

6. I (we) understand that the information contained in this Proof of Claim is subject to such verification as the Claims Administrator may request or as the Court may direct, and I (we) agree to cooperate in any such verification. (The information requested herein is designed to provide the minimum amount of information necessary to process most simple claims. The Claims Administrator may request additional information as required to efficiently and reliably calculate your recognized claim. In some cases, the Claims Administrator may condition acceptance of the claim based upon the production of additional information, including, where applicable, information concerning transactions in any derivatives securities such as options.)
7. Upon the occurrence of the Court's approval of the Settlement, as detailed in the Notice, I (we) agree and acknowledge that my (our) signature(s) hereto shall effect and constitute a full and complete release, remise and discharge by me (us) and my (our) heirs, joint tenants, tenants in common, beneficiaries, executors, administrators, predecessors, successors, attorneys, insurers and assigns (or, if I am (we are) submitting this Proof of Claim on behalf of a corporation, a partnership, estate or one or more other persons, by it, him, her or them, and by its, his, her or their heirs, executors, administrators, predecessors, successors, and assigns) of each of the "Released Parties" of all "Release of Claims," as defined in the Notice.
8. NOTICE REGARDING ELECTRONIC FILES: Certain claimants with large numbers of transactions may request, or may be requested, to submit information regarding their transactions in electronic files. All Claimants MUST submit a manually signed paper Proof of Claim form listing all their transactions whether or not they also submit electronic copies. If you wish to file your claim electronically, you must contact the Claims Administrator at 1-866-274-4004 or visit their website at www.strategicclaims.net to obtain the required file layout. No electronic files will be considered to have been properly submitted unless the Claims Administrator issues to the Claimant a written acknowledgment of receipt and acceptance of electronically submitted data.

I. CLAIMANT INFORMATION

Account Name:

Address:

City: State: Zip Code: -

Foreign Province: Foreign Country:

-
Area Code Telephone No. (day)

-
Area Code Telephone No. (evening)

Email:

Social Security Number (for individuals)
 - -

OR

Tax Identification Number
(for estates, trusts, corporations, etc)
 -

II. SCHEDULE OF TRANSACTIONS IN FUWEI SECURITIES

Purchases:

A. Separately list each and every open market purchase of FUWEI common stock during the period from December 19, 2006 through June 30, 2008, inclusive, and provide the following information (*must be documented*):

Trade Date (List Chronologically) (Month/Day/Year)	Number of Shares Purchased	Price per Share	Total Cost (Excluding Commissions, Taxes, and Fees)
<input style="width:20px;" type="text"/> / <input style="width:20px;" type="text"/> / <input style="width:20px;" type="text"/>	<input style="width:20px;" type="text"/>	\$ <input style="width:20px;" type="text"/> . <input style="width:20px;" type="text"/>	\$ <input style="width:20px;" type="text"/> . <input style="width:20px;" type="text"/>
<input style="width:20px;" type="text"/> / <input style="width:20px;" type="text"/> / <input style="width:20px;" type="text"/>	<input style="width:20px;" type="text"/>	\$ <input style="width:20px;" type="text"/> . <input style="width:20px;" type="text"/>	\$ <input style="width:20px;" type="text"/> . <input style="width:20px;" type="text"/>
<input style="width:20px;" type="text"/> / <input style="width:20px;" type="text"/> / <input style="width:20px;" type="text"/>	<input style="width:20px;" type="text"/>	\$ <input style="width:20px;" type="text"/> . <input style="width:20px;" type="text"/>	\$ <input style="width:20px;" type="text"/> . <input style="width:20px;" type="text"/>
<input style="width:20px;" type="text"/> / <input style="width:20px;" type="text"/> / <input style="width:20px;" type="text"/>	<input style="width:20px;" type="text"/>	\$ <input style="width:20px;" type="text"/> . <input style="width:20px;" type="text"/>	\$ <input style="width:20px;" type="text"/> . <input style="width:20px;" type="text"/>

Sales:

B. Separately list each and every sale of FUWEI common stock during the period December 19, 2006 through June 30, 2008, inclusive, and provide the following information (*must be documented*):

Trade Date (List Chronologically) (Month/Day/Year)	Number of Shares Sold	Price per Share	Amount Received (Excluding Commissions, Taxes, and Fees)
<input style="width:20px;" type="text"/> / <input style="width:20px;" type="text"/> / <input style="width:20px;" type="text"/>	<input style="width:20px;" type="text"/>	\$ <input style="width:20px;" type="text"/> . <input style="width:20px;" type="text"/>	\$ <input style="width:20px;" type="text"/> . <input style="width:20px;" type="text"/>
<input style="width:20px;" type="text"/> / <input style="width:20px;" type="text"/> / <input style="width:20px;" type="text"/>	<input style="width:20px;" type="text"/>	\$ <input style="width:20px;" type="text"/> . <input style="width:20px;" type="text"/>	\$ <input style="width:20px;" type="text"/> . <input style="width:20px;" type="text"/>
<input style="width:20px;" type="text"/> / <input style="width:20px;" type="text"/> / <input style="width:20px;" type="text"/>	<input style="width:20px;" type="text"/>	\$ <input style="width:20px;" type="text"/> . <input style="width:20px;" type="text"/>	\$ <input style="width:20px;" type="text"/> . <input style="width:20px;" type="text"/>
<input style="width:20px;" type="text"/> / <input style="width:20px;" type="text"/> / <input style="width:20px;" type="text"/>	<input style="width:20px;" type="text"/>	\$ <input style="width:20px;" type="text"/> . <input style="width:20px;" type="text"/>	\$ <input style="width:20px;" type="text"/> . <input style="width:20px;" type="text"/>

Ending Holdings:

C. State the total number of shares of FUWEI common stock owned at the close of trading on June 30, 2008, long or short (*must be documented*).

If additional space is needed, attach separate, numbered sheets, giving all required information, substantially in the same format, and print your name and Social Security or Taxpayer Identification number at the top of each sheet.

III. SUBSTITUTE FORM W-9

Request for Taxpayer Identification Number:

Enter taxpayer identification number below for the Beneficial Owner(s). For most individuals, this is your Social Security Number. The Internal Revenue Service ("I.R.S.") requires such taxpayer identification number. If you fail to provide this information, your claim may be rejected.

IV. CERTIFICATION

I (We) certify that I am (we are) NOT subject to backup withholding under the provisions of Section 3406 (a)(1)(c) of the Internal Revenue Code because: (a) I am (We are) exempt from backup withholding, or (b) I (We) have not been notified by the I.R.S. that I am (we are) subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the I.R.S. has notified me (us) that I am (we are) no longer subject to backup withholding.

NOTE: If you have been notified by the I.R.S. that you are subject to backup withholding, please strike out the language that you are not subject to backup withholding in the certification above.

UNDER THE PENALTIES OF PERJURY, I (WE) CERTIFY THAT ALL OF THE INFORMATION I (WE) PROVIDED ON THIS PROOF OF CLAIM AND RELEASE FORM IS TRUE, CORRECT AND COMPLETE.

Signature of Claimant (If this claim is being made on behalf of Joint Claimants, then each must sign)

(Signature)

(Signature)

(Capacity of person(s) signing, e.g. beneficial purchaser(s), executor, administrator, trustee, etc.)

Check here if proof of authority to file is enclosed.
(See Item 2 under Claimant's Statement)

Date: _____

THIS PROOF OF CLAIM MUST BE SUBMITTED NO LATER THAN MARCH 10, 2011 AND MUST BE MAILED TO:

**Fuwei Films Securities Litigation
Claims Administrator
c/o Strategic Claims Services
P.O. Box 230
600 N. Jackson Street, Suite 3
Media, PA 19063**

A Proof of Claim received by the Claims Administrator shall be deemed to have been submitted when posted, if mailed by March 10, 2011 and if a postmark is indicated on the envelope and it is mailed first class and addressed in accordance with the above instructions. In all other cases, a Proof of Claim shall be deemed to have been submitted when actually received by the Claims Administrator.

You should be aware that it will take a significant amount of time to process fully all of the Proofs of Claim and to administer the Settlement. This work will be completed as promptly as time permits, given the need to investigate and tabulate each Proof of Claim. Please notify the Claims Administrator of any change of address.

REMINDER CHECKLIST

- o Please be sure to sign this Proof of Claim on page 10. If this Proof of Claim is submitted on behalf of joint claimants, then both claimants must sign.
- o Please remember to attach supporting documents. Do NOT send any stock certificates. Keep copies of everything you submit.
- o Do NOT use highlighter on the Proof of Claim or any supporting documents.
- o If you move after submitting this Proof of Claim, please notify the Claims Administrator of the change in your address.

Fuwei Films Securities Litigation
c/o Strategic Claims Services
P.O. Box 230
600 N. Jackson Street, Suite 3
Media, PA 19063

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 State of: California
 County of: Los Angeles

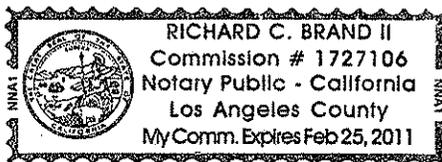
I, Paul Mayberry, for the publisher of Investor's Business Daily, published in the city of Los Angeles, state of California, county of Los Angeles hereby certify that the attached notice(s) for Case No. 07-CV-9416 (RJS) was printed in said publication on the following date(s):

January 28th, 2011

State of California
 County of Los Angeles

Subscribed and sworn to (or affirmed) before me on this 28th day of January 2011, by Paul Mayberry, proved to me on the basis of satisfactory evidence to be the person(s) who appeared before me.

Signature Richard C. Brand II (Seal)



Core Eq	+3 23.76	A- Short Term	+1 3.09n	CMV Afr	+6 48.99n +.41	WorldOppa	+3 8.85n +.01	C Ltd Trm Svt	0 9.40
Real Estate	+3 22.17 +.34	E Twenty	+3 67.65n +.23	Leuthold Funds		Marshall Funds		E InvDestAgr	+3 8.82n +.03
Real Estate	+1 4.48	E Worldwide	+2 27.73n +.01	Asset Allo	+1 10.64 +.03	GovtIncomeY	0 9.74n +.02	D InvestMdag	+3 9.37n +.03
Cap Gr b	+2 29.26 +.17	C- JensenPtfJ	+2 27.73n +.01	D CoreInv	+2 17.24n +.08	A- Intnd TxFrY	-1 10.28n	D- MainStSel	+3 13.09 +.01
Cap Val	+2 18.40 +.03	D+ JensenPtfJ	+2 27.71n	D- CoreInv	+2 17.24n +.08	Mass Mutl Prem		D- PA Muni	-2 10.06 +.01
SpecialVal	+2 14.63 +.02	JP Morgan A		LKCM Funds		Marsico Funds		E RisingDivs	+3 15.94 +.02
SmCosb	+3 17.93 +.05	\$ 22.6 bil 800-480-4111		\$ 1.0 bil 800-688-5526		\$ 4.0 bil 888-860-8686		E SmlMidVal	+3 33.01 +.22
FreeIntA	-1 10.98	A Core Bond	+1 11.51 +.03	C SmCapEqInst	+1 21.94n +.12	E 21st Century	+3 14.78n +.09	A+ LSCorePIBdA	+1 12.54 +.02
Govt	0 8.93 +.02	A CorePlusBd	+1 8.20 +.01	Longleaf Prtnrs		A+ FlexCapital	+1 13.82 +.04	A+ VaughnSmValA	+3 23.55 +.15
Gov Secs	0 9.58 +.02	A- Govt Bond	+1 10.88 +.03	\$ 13.9 bil 800-445-9469		E Focus	+2 18.50n +.11	E Neuhg Brm Inv	\$ 11.9 bil 800-877-9700
Gr & Inc	+4 20.00 +.07	A+ High Yield	+3 8.33 +.01	E Intl	+4 15.88n +.01	E Growth	+2 19.81n +.12	D+ Genesis	+1 33.71n +.07
Harbor	+3 17.96 +.09	D+ HighStatMk	0 15.06 -.03	E Partners	+3 28.59n +.07	C- Genesis I	+1 46.65n +.11	A- Dev Mkt	-3 34.65n -.20
KHI Yield	+2 9.86 +.01	B Inv CsrV Gr	+1 11.29 +.02	D Small Cap	+2 27.22n +.13	O- Guardian	+2 15.22n +.01	A+ Gold&SpMin	-11 41.82n -.88
CapGrowth	+4 14.02 +.09	C- Inv Gr&Inc	+2 13.05 +.03	Loomis Sys		A Core Bond L	+1 10.85n +.03	D- IntlBond	-1 6.46n -.01
Comstock	+4 16.37 +.07	D Inv Growth	+3 13.81 +.04	\$ 34.7 bil 800-633-3330		A Core Bond S	+1 11.00n +.03	Oppenheimer N	\$ 3.9 bil 800-225-5677
CorpBond	+1 6.74 +.02	C Invest Bal	+2 12.42 +.03	A Bond Instl	+2 14.44 +.04	A- ShDrv Bd S	+1 10.60n +.01	A- Develop Mkt	-3 34.05n -.20
KEnterp	+4 18.18 +.11	C- Mid Cap Val	+2 23.54 +.10	A Bond Ret	+2 14.38 +.03	Mass Mutl Select		A- GibiStrInc	+1 4.31n
KEqy&Inc	+3 8.87 +.03	D MidCapGr	+2 21.99 +.15	A Glob Bd Ret	+1 16.47n	\$ 10.7 bil 800-542-6767		A+ GoldSpeMin	-11 42.48n -.90
KHidMuni	-2 8.75 +.01	A Small Cap Eq	+1 34.45 +.08	A GlobBd Inst	+1 16.62	E IndexEq Z	+3 12.10 +.03	D- IntlBond	-1 6.46n -.01
KInstTaxFr	-1 15.44 +.02	JP Morgan C		A StratInc A	+2 14.98 +.03	Masters Select		Oppenheimer Y	\$ 23.1 bil 800-225-5677
KModCgr	+2 30.49 +.10	\$ 6.7 bil 800-480-4111		A- StratInc C	+2 15.07 +.04	New Covenant		E Capital Apprec	+2 46.52n +.14
Investco Funds B		A Core Bond r	0 11.55n +.02	E Value Y	+5 19.44n +.11	E Growth	+3 31.99n +.07	E ComStrTortt	+1 3.63n -.03
278 mil 800-525-8085		A CorePlusBdr	+1 8.23n +.02	Loomis Sys Inv		E NFI Div Val	+3 11.67n +.01	A DevelopMkts	-3 34.81n -.20
DivGrSecs	+4 13.38n +.08	A- Govt Bond r	+1 10.84n +.03	\$ 11.3 bil 800-633-3330		Matthews Asia		A- GibiStrInc	+1 4.31n +.01
KEqy&Inc	+3 8.70 +.03	A+ High Yield r	+3 8.33n +.01	A+ Fixed Income	+2 13.76n +.03	16.7 bil 800-789-2742		D- Global	+4 63.01n +.38
Investco Funds C		JP Morgan Instl		A GradeBondA	+1 12.21 +.03	B+ AscGrInclnv	0 18.02n -.02	Mutuals continued on B1	
\$ 7.6 bil 800-525-8085		\$ 10.2 bil 800-480-4111		A GradeBondC	+1 12.12 +.03	C- Chinalnv	+2 29.87n +.02		
KEqy&Inc	+3 8.74 +.03	B IntlTxFrBd	0 10.71n +.01	A GradeBondY	+1 12.22n +.03	D Dividnv	0 14.26 -.04		
						D Indlnlv	-8 19.46n -.30		

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LEGAL NOTICES

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK
IN RE
FUWEI FILMS SECURITIES LITIGATION Case No. 07-CV-9416 (RJS)
SUMMARY NOTICE OF CLASS ACTION SETTLEMENT

TO: ALL PERSONS WHO PURCHASED THE PUBLICLY-TRADED COMMON STOCK OF FUWEI FILMS (HOLDINGS), CO., LTD. DURING THE PERIOD FROM DECEMBER 19, 2006 THROUGH NOVEMBER 12, 2007, INCLUSIVE.

YOU ARE HEREBY NOTIFIED, pursuant to an Order of the United States District Court for the Southern District of New York, that a hearing will be held on April 27, 2011 at 10:00 a.m. in room 21C before the Honorable Richard J. Sullivan, United States District Judge of the Southern District of New York, 500 Pearl Street, New York, New York 10007 (the "Settlement Hearing") for the purpose of determining: (1) whether the proposed Settlement consisting of the sum of \$2,150,000, of which \$200,000 will not be provided until 10 business days after the Settlement is approved by the Court or July 1, 2011, whichever date is later, should be approved by the Court as fair, reasonable, and adequate; (2) whether the proposed plan to distribute the settlement proceeds is fair, reasonable, and adequate; (3) whether the application for an award of attorneys' fees of one-third of the Settlement amount and reimbursement of expenses of not more than \$75,000 should be approved; and (4) whether the Litigation should be dismissed with prejudice.

If you purchased common stock of Fuwei Films (Holdings), Co., Ltd. during the class period from December 19, 2006 through November 12, 2007, inclusive, your rights may be affected by the Settlement of this action. If you have not received a detailed Notice of Pendency and Settlement of Class Action and a copy of the Proof of Claim and Release, you may obtain copies by writing to Fuwei Films Securities Litigation, c/o Strategic Claims Services, Claims Administrator, P.O. Box 230, 600 N. Jackson Street, Suite 3, Media, PA 19063, or going to the website, www.rosenlegal.com. If you are a member of the Class, in order to share in the distribution of the Net Settlement Fund, you must submit a Proof of Claim and Release no later than March 10, 2011, establishing that you are entitled to recovery. You will be bound by any judgment rendered in the Litigation whether or not you make a claim.

Any objection to the Settlement, Plan of Allocation, or the Lead Plaintiff's Counsel's request for an award of attorneys' fees and reimbursement of expenses must be mailed or delivered such that it is received by each of the following no later than April 13, 2011:

Clerk of the Court U.S. District Court Southern District of New York 500 Pearl St. New York, NY 10007	Phillip Kim, Esq. THE ROSEN LAW FIRM, P.A. 275 Madison Avenue Suite 3400 New York, NY 10016 Tel: (212) 686-1060 Fax: (212) 202-3827 Lead Plaintiff's Counsel	Laurea M. Vasey, Esq. LOEB & LOEB LLP 345 Park Avenue New York, NY 10154 Tel.: (212) 407-4117 Fax: (212) 202-6127 Counsel for Defendants Fuwei Films (Holdings), Co., Ltd., Xiaoran He, and Mark Stuliga
----------------------------------------------------------------------------------------------------------------------	-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

If you have any questions about the Settlement, you may call or write to Lead Plaintiff's Counsel:

Laurence M. Rosen, Esq.
Phillip Kim, Esq.
Timothy W. Brown, Esq.
THE ROSEN LAW FIRM, P.A.
275 Madison Avenue, Suite 3400
New York, NY 10016
Tel.: (212) 686-1060
Fax: (212) 202-3827

PLEASE DO NOT CONTACT THE COURT OR THE CLERK'S OFFICE REGARDING THIS NOTICE.

DATED: JANUARY 4, 2011 BY ORDER OF THE UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF NEW YORK

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Josephine Bravata

From: support@globenewswire.com

Sent: Friday, January 28, 2011 8:00 AM

To: jbravata@strategicclaims.net

Subject: GlobeNewswire Cross Time Report: The Rosen Law Firm PA

NASDAQ OMX | **GlobeNewswire** *Cross Time Report*

Cross Time: January 28, 2011 at 08:00 AM (Eastern)

Headline: The Rosen Law Firm, P.A. Announces Class Action Settlement on Behalf of Purchasers of Common Stock of Fuwei Films (Holdings), Co., Ltd. -- FFHL

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The Rosen Law Firm, P.A. Announces Class Action Settlement on Behalf of Purchasers of Common Stock of Fuwei Films (Holdings), Co., Ltd. -- FFHL



Press Release Source: The Rosen Law Firm PA On Friday January 28, 2011, 8:00 am EST

NEW YORK, Jan. 28, 2011 (GLOBE NEWSWIRE) -- The Rosen Law Firm, P.A. announces that the United States District Court Southern District of New York has approved the following announcement of a proposed class action settlement that would benefit purchasers of common stock of Fuwei Films (Holdings), Co., Ltd. (Nasdaq:[FFHL](#) - News):

SUMMARY NOTICE OF CLASS ACTION SETTLEMENT

TO: ALL PERSONS WHO PURCHASED THE PUBLICLY-TRADED COMMON STOCK OF FUWEI FILMS (HOLDINGS), CO., LTD. DURING THE PERIOD FROM DECEMBER 19, 2006 THROUGH NOVEMBER 12, 2007, INCLUSIVE.

YOU ARE HEREBY NOTIFIED, pursuant to an Order of the United States District Court for the Southern District of New York, that a hearing will be held on April 27, 2011 at 10:00 a.m. in room 21C before the Honorable Richard J. Sullivan, United States District Judge of the Southern District of New York, 500 Pearl Street, New York, New York 10007 (the "Settlement Hearing") for the purpose of determining: (1) whether the proposed Settlement consisting of the sum of \$2,150,000, of which \$200,000 will not be provided until 10 business days after the Settlement is approved by the Court or July 1, 2011, whichever date is later, should be approved by the Court as fair, reasonable, and adequate; (2) whether the proposed plan to distribute the settlement proceeds is fair, reasonable, and adequate; (3) whether the application for an award of attorneys' fees of one-third of the Settlement amount and reimbursement of expenses of not more than \$75,000 should be approved; and (4) whether the Litigation should be dismissed with prejudice.

If you purchased common stock of Fuwei Films (Holdings), Co., Ltd. during the class period from December 19, 2006 through November 12, 2007, inclusive, your rights may be affected by the Settlement of this action. If you have not received a detailed Notice of Pendency and Settlement of Class Action and a copy of the Proof of Claim and Release, you may obtain copies by writing to Fuwei Films Securities Litigation, c/o Strategic Claims Services, Claims Administrator, P.O. Box 230, 600 N. Jackson Street, Suite 3, Media, PA 19063, or going to the website, www.rosenlegal.com. If you are a member of the Class, in order to share in the distribution of the Net Settlement Fund, you must submit a Proof of Claim and Release no later than March 10, 2011, establishing that you are entitled to recovery. You will be bound by any judgment rendered in the Litigation whether or not you make a claim.

Any objection to the Settlement, Plan of Allocation, or the Lead Plaintiff's Counsel's request for an award of attorneys' fees and reimbursement of expenses must be mailed or delivered such that it is received by each of the following no later than April 13, 2011:

Clerk of the Court
U.S. District Court
Southern District of New York
500 Pearl St.
New York, NY 10007

Phillip Kim, Esq.
THE ROSEN LAW FIRM, P.A.
275 Madison Avenue, Suite 3400
New York, NY 10016
Tel: (212) 686-1060
Fax: (212) 202-3827
Lead Plaintiff's Counsel

Laura M. Vasey, Esq.
LOEB & LOEB LLP
345 Park Avenue

New York, NY 10154
Tel.: (212) 407-4117
Fax: (212) 202-6127
Counsel for Defendants Fuwei Films (Holdings), Co., Ltd., Xiaohan He, and Mark Stulga

If you have any questions about the Settlement, you may call or write to Lead Plaintiff's Counsel:

Laurence M. Rosen, Esq.
Phillip Kim, Esq.
Timothy W. Brown, Esq.
THE ROSEN LAW FIRM, P.A.
275 Madison Avenue, Suite 3400
New York, NY 10016
Tel.: (212) 686-1060
Fax: (212) 202-3827

PLEASE DO NOT CONTACT THE COURT OR THE CLERK'S OFFICE REGARDING THIS NOTICE.

DATED: JANUARY 4, 2011

BY ORDER OF THE UNITED STATES
DISTRICT COURT FOR THE
SOUTHERN DISTRICT OF NEW YORK

Contact:

Strategic Claims Services
(610) 565-9202
Fax: (610) 565-7985
600 N. Jackson Street, Suite 3
Media, PA 19063

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Subject: Objection to the settlement of IN RE FUWEI FILMS SECURITIES LITIGATION,
Case No. 07-CV-9416

Respected Sir/Madam,

We have suffered a net loss of \$42861.42 on the stock of FUWEI FILMS. We have submitted a claim form and confirmed with the claims administrator (Strategic Claims Services) that we will not get any payment from the settlement because of "no loss and gain" reason based on the following dates mentioned in the notice.

Recognized loss is zero if

Section (7) (b) (1) - Purchased and sold between 12-19-2006 through 06-24-2007

Section (7) (b) (6) - Purchased and sold between 06-25-2007 through 10-15-2007

Section (7) (b) (10) - Purchased and sold between 10-16-2007 through 11-05-2007

Section (7) (b) (13) - Purchased and sold between 11-06-2007 through 11-11-2007

The whole class action period is 12-19-2006 through 11-12-2007 and above dates cover this entire class action period where recognized loss is zero. We do not understand the rationale behind the above dates to make the recognized loss zero. Even though one has several buy and sell transactions during the class action period, the total net loss during the class action period must be considered for the settlement payment.

We have purchased and sold FUWEI FILMS stock many times during the class action period. The sum of all the transactions ends up in the net loss of \$42861.42.

Following are the periods where profit and loss occurred:

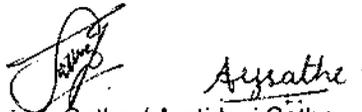
The buy and sell transactions performed between 12-26-2006 through 12-29-2006 has a profit of \$5315.11 and the buy and sell transactions performed between 01-03-2007 through 07-26-2007 has a loss of \$48,176.53. After deducting the profit from the loss the net loss is \$42861.42.

We have attached all the trade (purchase and sell) information. A helpless common man has only way to reduce their losses by selling it and then buying it at lower price in a hope that stock will go up. We tried it to recover some of the losses but could not save ourselves from the brutal loss. The fraud committed by the defendants caused this stock go further down. Overall we suffered a net loss of \$42861.42

We hope the honorable court will consider our situation and make the necessary changes to the settlement so that we get our fair share of the settlement payment.

If our objection is not considered for some reason and if we are not getting any payment from the settlement then we would like to exclude ourselves from this settlement so that we can sue the defendants and/or be part of the other class action suit against the defendants.

Sincerely,



Joint Account Holders: Gautam Sathe / Aratidevi Sathe

97 Green Tree Rd

Tonawanda, NY 14150

Ph: 716-694-5343

Cell: 716-949-8117

Email: gautam@exam-software.com

This letter and supporting document are sent to the following three addresses:

COURT

Clerk of the Court
United States District Court
Southern District of New York
500 Pearl Street
New York, New York 10007

CLASS COUNSEL

Phillip Kim, Esq.
THE ROSEN LAW FIRM, P.A.
275 Madison Avenue, Suite 3400
New York, New York 10016

DEFENSE COUNSEL

Laura M. Vasey, Esq.
LOEB & LOEB LLP
345 Park Avenue
New York, New York 10154

• Trade Activity •

11639523 - GAUTAM SATHE

Account From To
07-11639523 01/01/2006 12/31/2008

Filter Filter Value
CUSIP/Symbol FFHL Include Cancel/Correct Trades

Trade Detail

Account Type	Trade Date	Settle Date	Exec Time	Trade Number	CUSIP/Symbol	ISIN	Description	Buy/Sell	Qty	Price	Principal Amt	Comm. Other	Fees/Comm	Net Amount	Curr	Trailer	Entry Date
General Margin	12/26/2006	12/29/2006		102032	N8762	FFHL	KYG3704F1028 %FUWEL FILMS HQ B		2,000.000	15.20000	-30,400.00	0.00	0.00	-30,400.00	USD	148368064	12/26/2006
General Margin	12/26/2006	12/29/2006		102303	N1824	FFHL	KYG3704F1028 %FUWEL FILMS HQ B		2,000.000	14.99000	-29,980.00	0.00	0.00	-29,980.00	USD	148368233	12/26/2006
General Margin	12/26/2006	12/29/2006		102615	N1560	FFHL	KYG3704F1028 %FUWEL FILMS HQ B		-4,000.000	15.30000	61,200.00	0.00	2.18	61,197.82	USD	148368285	12/26/2006
General Margin	12/26/2006	12/29/2006		102751	N0394	FFHL	KYG3704F1028 %FUWEL FILMS HQ B		2,000.000	15.25000	-30,500.00	3.50	0.00	-30,503.50	USD	148368440	12/26/2006
General Margin	12/26/2006	12/29/2006		103026	N1650	FFHL	KYG3704F1028 %FUWEL FILMS HQ B		2,000.000	15.05000	-30,100.00	3.50	0.00	-30,103.50	USD	148368537	12/26/2006
General Margin	12/26/2006	12/29/2006		104628	N2447	FFHL	KYG3704F1028 %FUWEL FILMS HQ B		300.000	14.84667	-4,454.00	3.50	0.00	-4,457.50	USD	148369476	12/26/2006
General Margin	12/26/2006	12/29/2006		105209	N3734	FFHL	KYG3704F1028 %FUWEL FILMS HQ S		-4,300.000	15.30000	65,790.00	3.50	2.34	65,784.16	USD	148369660	12/26/2006
General Margin	12/26/2006	12/29/2006		110109	N2452	FFHL	KYG3704F1028 %FUWEL FILMS HQ B		2,000.000	15.00000	-30,000.00	3.50	0.00	-30,003.50	USD	148370336	12/26/2006
General Margin	12/26/2006	12/29/2006		110408	N1171	FFHL	KYG3704F1028 %FUWEL FILMS HQ S		-2,000.000	15.15000	30,300.00	3.50	1.09	30,295.41	USD	148370384	12/26/2006
General Margin	12/26/2006	12/29/2006		110851	N2476	FFHL	KYG3704F1028 %FUWEL FILMS HQ B		4,000.000	15.05000	-60,200.00	3.50	0.00	-60,203.50	USD	148370929	12/26/2006
General Margin	12/26/2006	12/29/2006		110954	N2333	FFHL	KYG3704F1028 %FUWEL FILMS HQ S		-4,000.000	15.15000	60,600.00	3.50	2.17	60,594.33	USD	148371005	12/26/2006
General Margin	12/26/2006	12/29/2006		111948	N2073	FFHL	KYG3704F1028 %FUWEL FILMS HQ B		4,000.000	15.10000	-60,400.00	3.50	0.00	-60,403.50	USD	148371202	12/26/2006
General Margin	12/26/2006	12/29/2006		112809	N3105	FFHL	KYG3704F1028 %FUWEL FILMS HQ S		-2,850.000	15.20000	43,548.00	3.50	1.55	43,542.95	USD	148371675	12/26/2006
General Margin	12/26/2006	12/29/2006		114201	N3218	FFHL	KYG3704F1028 %FUWEL FILMS HQ B		2,300.000	15.07000	-34,663.00	3.50	0.00	-34,664.50	USD	148372414	12/26/2006
General Margin	12/26/2006	12/29/2006		114255	N2754	FFHL	KYG3704F1028 %FUWEL FILMS HQ S		-1,150.000	15.20000	17,480.00	0.00	0.62	17,479.38	USD	148371851	12/26/2006
General Margin	12/26/2006	12/29/2006		114403	N3216	FFHL	KYG3704F1028 %FUWEL FILMS HQ S		-2,300.000	15.21000	35,029.00	3.50	1.25	35,024.25	USD	148372494	12/26/2006
General Margin	12/26/2006	12/29/2006		115804	N3446	FFHL	KYG3704F1028 %FUWEL FILMS HQ B		4,000.000	15.50000	-62,000.00	3.50	0.00	-62,003.50	USD	148372946	12/26/2006
General Margin	12/26/2006	12/29/2006		120214	N2089	FFHL	KYG3704F1028 %FUWEL FILMS HQ S		-4,000.000	15.60000	62,400.00	3.50	2.22	62,394.28	USD	148373095	12/26/2006
General Margin	12/26/2006	12/29/2006		133303	N4459	FFHL	KYG3704F1028 %FUWEL FILMS HQ B		4,000.000	15.08000	-60,320.00	3.50	0.00	-60,323.50	USD	148375865	12/26/2006
General Margin	12/26/2006	12/29/2006		140706	N4465	FFHL	KYG3704F1028 %FUWEL FILMS HQ B		1,531.000	14.90000	-22,811.90	3.50	0.00	-22,815.40	USD	148377091	12/26/2006
General Margin	12/26/2006	12/29/2006		140944	N5244	FFHL	KYG3704F1028 %FUWEL FILMS HQ B		469.000	14.89527	-6,985.88	3.50	0.00	-6,989.38	USD	148377167	12/26/2006
General Margin	12/26/2006	12/29/2006		142326	N5301	FFHL	KYG3704F1028 %FUWEL FILMS HQ B		500.000	14.95000	-7,475.00	3.50	0.00	-7,478.50	USD	148377507	12/26/2006
General Margin	12/26/2006	12/29/2006		142749	N5123	FFHL	KYG3704F1028 %FUWEL FILMS HQ S		-6,500.000	15.11000	98,215.00	3.50	3.50	98,208.00	USD	148377544	12/26/2006
General Margin	12/26/2006	12/29/2006		143438	N5051	FFHL	KYG3704F1028 %FUWEL FILMS HQ B		4,000.000	15.07925	-60,317.00	3.50	0.00	-60,320.50	USD	148378118	12/26/2006
General Margin	12/26/2006	12/29/2006		145321	N5147	FFHL	KYG3704F1028 %FUWEL FILMS HQ B		2,500.000	15.00000	-37,500.00	3.50	0.00	-37,503.50	USD	148378583	12/26/2006
General Margin	12/28/2006	01/03/2007		141411	N3135	FFHL	KYG3704F1028 %FUWEL FILMS HQ S		-6,500.000	15.00000	97,500.00	3.50	3.46	97,493.02	USD	148427507	12/28/2006
General Margin	12/29/2006	01/04/2007		101337	N2101	FFHL	KYG3704F1028 %FUWEL FILMS HQ B		3,000.000	16.86683	-50,600.50	3.50	0.00	-50,604.00	USD	148451484	12/29/2006
General Margin	12/29/2006	01/04/2007		101657	N1827	FFHL	KYG3704F1028 %FUWEL FILMS HQ S		-3,000.000	17.05600	51,368.00	3.50	1.80	51,362.70	USD	148451742	12/29/2006
General Margin	12/29/2006	01/04/2007		103127	N2188	FFHL	KYG3704F1028 %FUWEL FILMS HQ B		3,000.000	17.05900	-51,150.00	3.50	0.00	-51,153.50	USD	148452692	12/29/2006
General Margin	12/29/2006	01/04/2007		103444	N1280	FFHL	KYG3704F1028 %FUWEL FILMS HQ B		3,000.000	16.90000	-50,700.00	3.50	0.00	-50,703.50	USD	148452974	12/29/2006
General Margin	12/29/2006	01/04/2007		104023	N2410	FFHL	KYG3704F1028 %FUWEL FILMS HQ S		-6,000.000	17.15000	102,900.00	3.50	3.61	102,892.89	USD	148453284	12/29/2006
General Margin	12/29/2006	01/04/2007		104805	N2512	FFHL	KYG3704F1028 %FUWEL FILMS HQ B		3,000.000	17.25000	-51,750.00	3.50	0.00	-51,753.50	USD	148454220	12/29/2006
General Margin	12/29/2006	01/04/2007		110019	N1936	FFHL	KYG3704F1028 %FUWEL FILMS HQ S		-1,159.000	17.40000	20,166.60	3.50	0.76	20,162.40	USD	148454433	12/29/2006
General Margin	12/29/2006	01/04/2007		110950	N2754	FFHL	KYG3704F1028 %FUWEL FILMS HQ B		3,000.000	17.20000	-52,676.40	3.50	0.00	-52,679.90	USD	148455532	12/29/2006
General Margin	12/29/2006	01/04/2007		112026	N2888	FFHL	KYG3704F1028 %FUWEL FILMS HQ B		730.000	16.85000	-12,300.50	3.50	0.00	-12,304.00	USD	148456211	12/29/2006
General Margin	12/29/2006	01/04/2007		113525	N3212	FFHL	KYG3704F1028 %FUWEL FILMS HQ S		-1,694.000	17.00000	28,798.00	3.50	1.01	28,793.49	USD	148456912	12/29/2006
General Margin	12/29/2006	01/04/2007		115127	N1861	FFHL	KYG3704F1028 %FUWEL FILMS HQ B		3,000.000	16.74633	-50,239.00	3.50	0.00	-50,242.50	USD	148457647	12/29/2006
General Margin	12/29/2006	01/04/2007		120937	N3547	FFHL	KYG3704F1028 %FUWEL FILMS HQ S		-3,199.000	16.80000	53,743.20	3.50	1.88	53,737.82	USD	148458615	12/29/2006
General Margin	12/29/2006	01/04/2007		121235	N3549	FFHL	KYG3704F1028 %FUWEL FILMS HQ S		-1,415.000	16.78343	23,748.50	0.00	0.83	23,747.73	USD	148458769	12/29/2006
General Margin	12/29/2006	01/04/2007		144824	N5981	FFHL	KYG3704F1028 %FUWEL FILMS HQ B		3,000.000	16.65000	-49,500.00	3.50	0.00	-49,503.50	USD	148465334	12/29/2006
General Margin	12/29/2006	01/04/2007		145258	N6004	FFHL	KYG3704F1028 %FUWEL FILMS HQ S		-331.000	16.76000	5,547.56	3.50	0.20	5,543.86	USD	148465579	12/29/2006
General Margin	12/29/2006	01/04/2007		150139	N6059	FFHL	KYG3704F1028 %FUWEL FILMS HQ S		-2,669.000	16.73000	44,652.37	3.50	1.58	44,647.29	USD	148465978	12/29/2006
General Margin	01/03/2007	01/08/2007		094253	N1097	FFHL	KYG3704F1028 %FUWEL FILMS HQ B		3,000.000	16.49900	-49,497.00	0.00	0.00	-49,497.00	USD	148490701	01/03/2007
General Margin	01/03/2007	01/08/2007		094651	N1342	FFHL	KYG3704F1028 %FUWEL FILMS HQ B		3,000.000	16.36367	-49,091.00	0.00	0.00	-49,091.00	USD	148491226	01/03/2007
General Margin	01/03/2007	01/08/2007		100428	N2722	FFHL	KYG3704F1028 %FUWEL FILMS HQ S		-1,500.000	16.45000	24,675.00	0.00	0.87	24,674.13	USD	148492454	01/03/2007
General Margin	01/03/2007	01/08/2007		100843	N2336	FFHL	KYG3704F1028 %FUWEL FILMS HQ B		1,500.000	16.32000	-24,480.00	0.00	0.00	-24,480.00	USD	148494005	01/03/2007
General Margin	01/03/2007	01/08/2007		124024	N5989	FFHL	KYG3704F1028 %FUWEL FILMS HQ B		640.000	15.72990	-10,067.14	0.00	0.00	-10,067.14	USD	148505968	01/03/2007
General Margin	05/11/2007	05/16/2007		154447	NA08G	FFHL	KYG3704F1028 %FUWEL FILMS HQ B		6,640.000	7.15000	-47,476.00	0.00	0.00	-47,476.00	USD	152297417	05/11/2007
General Margin	05/23/2007	05/29/2007		151845	NA2EV	FFHL	KYG3704F1028 %FUWEL FILMS HQ S		-750.000	6.81000	5,107.50	3.50	0.13	5,103.87	USD	152648478	05/23/2007
General Margin	05/23/2007	05/29/2007		152557	NA211	FFHL	KYG3704F1028 %FUWEL FILMS HQ S		-1,250.000	6.81000	8,512.50	3.50	0.23	8,508.77	USD	152648964	05/23/2007
General Margin	06/19/2007	06/22/2007		153757	NA28F	FFHL	KYG3704F1028 %FUWEL FILMS HQ S		-4,640.000	7.33000	34,011.20	3.50	0.87	34,006.83	USD	153460384	06/19/2007
General Margin	06/20/2007	06/25/2007		150927	NA259	FFHL	KYG3704F1028 %FUWEL FILMS HQ B		5,060.000	7.95000	-40,227.00	3.50	0.00	-40,230.50	USD	153501905	06/20/2007
General Margin	06																

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK**

IN RE FUWEI FILMS SECURITIES LITIGATION

Case No. 07-CV-9416 (RJS)

NOTICE OF PENDENCY AND SETTLEMENT OF CLASS ACTION

If you purchased or otherwise acquired the common stock ("Stock") of Fuwei Films (Holdings), Co., Ltd. ("Fuwei" or the "Company") during the period from December 19, 2006 through and including November 12, 2007, you could get a payment from a class action settlement (the "Settlement").

Under law, a federal court has authorized this notice.

- If approved by the Court, the settlement will provide \$2,150,000, plus interest (the "Settlement Amount"), to pay claims of investors who purchased Fuwei Stock during the period from December 19, 2006 through and including November 12, 2007 (the "Class Period"). Of the total Settlement Amount, \$200,000 will not be provided until 10 business days after the Settlement is approved by the Court or July 1, 2011, whichever date is later.
- The Settlement represents an average recovery of \$0.50 per share of Fuwei Stock for the 4,312,500 million shares that were issued in connection with the Company's initial public offering on December 19, 2006 ("IPO") and available for purchase during the Class Period. A share may have been traded more than once during the Class Period. This estimate solely reflects the average recovery per outstanding share of Fuwei Stock. The indicated average recovery per share will be the total average recovery for all purchasers of that share. This is not an estimate of the actual recovery per share you should expect. Your actual recovery will depend on the aggregate losses of all Class Members, the date(s) you purchased and sold Fuwei Stock, and the total number of claims filed.
- Attorneys for the Lead Plaintiff ("Class Counsel") intend to ask the Court to award them fees of up to one-third of the Settlement Amount, reimbursement of litigation expenses not to exceed \$75,000, and an award to Lead Plaintiff not to exceed \$2,500. Collectively, the attorneys' fees and expenses are estimated to average \$0.18 per share of Fuwei Stock. If approved by the Court, these amounts will be paid from the Settlement Fund.
- The approximate recovery, after deduction of attorneys' fees and expenses approved by the Court, is an average of \$0.31 per share of Fuwei Stock. This estimate is based on the assumptions set forth in the preceding paragraph. Your actual recovery, if any, will vary depending on your purchase price and sales price, and the number of Proof of Claim forms filed.
- The Settlement resolves the lawsuit concerning whether the Registration Statement and Prospectus issued in connection with Fuwei's IPO were materially false and misleading, in violation of federal securities laws, based upon the following allegations set forth in the Consolidated Amended Complaint: (1) Fuwei allegedly acquired its main operating assets, the Production Lines, through transactions that were neither lawful nor valid transactions under Chinese laws and regulations; (2) Defendants allegedly failed to disclose pending investigations and threatened legal proceedings involving the Company's Production Lines and Fuwei at the time of the IPO; and (3) Defendants allegedly failed to disclose the full extent of the participation on both sides of the transactions in the transfer of the Production Lines to Fuwei by Jun Yin, Tongju Zhou, and Duo Wang (the "Shareholder Defendants"). Defendants Fuwei Films (Holdings), Co., Ltd ("Fuwei" or the "Company"), Xiaoan He ("He"), and Mark Stulga ("Stulga") (collectively, the "Fuwei Defendants"); and Defendants Maxim Group LLC, WR Hambrecht + Co, and Chardan Capital Markets, LLC (the "Underwriter Defendants"), who are collectively the "Settling Defendants," deny the allegations in the lawsuit and deny any wrongdoing. The Settling Defendants and Lead Plaintiff disagree on liability and damages.
- Your legal rights will be affected whether you act or do not act. If you do not act, you may permanently forfeit your right to recover on this claim. Therefore, you should read this notice carefully.

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT

SUBMIT A CLAIM FORM NO LATER THAN MARCH 10, 2011	The only way to get a payment.
EXCLUDE YOURSELF NO LATER THAN MARCH 10, 2011	Get no payment. This is the only option that allows you to be part of any other lawsuit against Defendants about the legal claims in this case.
OBJECT NO LATER THAN APRIL 13, 2011	Write to the Court about why you do not like the settlement.
GO TO A HEARING ON APRIL 27, 2011	Speak in Court about the fairness of the settlement.
DO NOTHING	Get no payment. Give up rights.

INQUIRIES

Please do not contact the Court regarding this notice. All inquiries concerning this Notice, the Proof of Claim form, or any other questions by Class members should be directed to:

Fuwei Films Securities Litigation
Claims Administrator
c/o Strategic Claims Services
P.O. Box 230
600 N. Jackson Street, Suite 3
Media, PA 19063
Tel: (866) 274-4004
www.strategicclaims.net

COMMON QUESTIONS AND ANSWERS CONCERNING THE SETTLEMENT

1. Why did I get this Notice?

You or someone in your family may have acquired Fuwei Stock during the Class Period.

2. What is this lawsuit about?

The case is known as In re Fuwei Films Securities Litigation, Case No. 07-CV-9416 (the "Litigation"), and the Court in charge of the case is the United States District Court for the Southern District of New York.

The Class Action involves whether Defendants violated the federal securities laws because the Registration Statement and Prospectus issued in connection with the Company's IPO that the Complaint alleges were materially false and misleading for the following reasons alleged in the Complaint: (1) Fuwei had acquired its main operating assets, the Production Lines, through transactions that were neither lawful nor valid transactions under Chinese laws and regulations; (2) Defendants failed to disclose pending investigations and threatened legal proceedings involving the Company's Production Lines and Fuwei at the time of the IPO; and (3) Defendants failed to disclose the full extent of the participation on both sides of the transactions in the transfer of the Production Lines to Fuwei by the "Shareholder Defendants." The Settling Defendants deny they did anything wrong. The Settlement resolves all of the claims in the Class Action.

3. Why is this a class action?

In a class action, one or more persons and/or entities, called Lead Plaintiffs, sue on behalf of all persons and/or entities who have similar claims. All of these persons and/or entities are referred to collectively as a Class, and these individual persons and/or entities are known as Class Members. One court resolves all of the issues for all Class Members, except for those Class Members who exclude themselves from the Class.

4. Why is there a Settlement?

Lead Plaintiff and Settling Defendants do not agree regarding the merits of Lead Plaintiff's allegations with respect to liability or the average amount of damages per share that would be recoverable if Lead Plaintiff were to prevail at trial on each claim. The issues on which the Lead Plaintiff and Settling Defendants disagree include: (1) whether the Registration Statement and Prospectus issued in connection with the IPO included any materially false or misleading statements; (2) whether the Registration Statement and Prospectus issued in connection with the IPO failed to disclose any material facts that the Company had a duty to disclose at the time of the IPO; (3) whether the Defendants conducted a reasonable investigation of the disclosures in the Registration Statement and Prospectus issued in connection with the IPO and reasonably believed them to be true; (4) whether the statements were the cause of the Class Members' alleged damages; and (5) the amount of damages, if any, suffered by the Class Members.

This matter has not gone to trial and the Court has not decided in favor of either Lead Plaintiff or Defendants. Instead, Lead Plaintiffs and Settling Defendants have agreed to settle the Class Action. The Lead Plaintiff and Class Counsel believe the settlement is best for all Class Members because of the risks associated with continued litigation and the nature of the defenses raised by the Settling Defendants. Even if Plaintiffs win at trial, and also withstand Defendants' inevitable challenge on appeal, Plaintiffs might not be able to collect some, or all, of the judgment.

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

To be a Class Member, you must have purchased or otherwise acquired Fuwei Stock during the period from December 19, 2006 through and including November 12, 2007, and suffered losses on your investment.

6. Are there exceptions to being included?

Yes. You are not a Class Member if you are a Defendant, a member of a Defendant's immediate family, a Defendant's legal representative, heir, predecessor, successor, assign, any entity in which any Defendant has or had a controlling interest, or any persons who have separately filed actions against one or more of the Defendants, based in

whole or in part on any claim arising out of or relating to any of the alleged acts, omissions, misrepresentations, facts, events, matters, transactions, or occurrences referred to in the Litigation or otherwise alleged, asserted, or contended in the Litigation. Also, if you exclude yourself from the Class, as described below, you are not a part of the Class.

7. What does the Settlement provide?

a. What is the Settlement Fund?

The proposed Settlement calls for Defendants to create a Settlement Fund (the "Settlement Fund") in the amount of \$2,150,000. Of the total Settlement Amount, \$200,000 will not be provided until 10 business days after the Settlement is approved by the Court or July 1, 2011, whichever date is later. The Settlement is subject to Court approval. Also, subject to the Court's approval, a portion of the Settlement Fund will be used to pay Lead Plaintiff's attorneys' fees and reasonable litigation expenses and any award to Lead Plaintiff. A portion of the Settlement Fund also will be used to pay taxes due on interest earned by the Settlement Fund, if necessary, and any notice and claims administration expenses permitted by the Court. After the foregoing deductions from the Settlement Fund have been made, the amount remaining (the "Net Settlement Fund") will be distributed to Class Members who submit valid claims.

b. What can you expect to receive under the proposed Settlement?

Your share of the Net Settlement Fund will or may depend on: (i) the number of claims filed; (ii) the dates you purchased and sold Fuwei Stock; (iii) the prices of your purchases and sales; (iv) the amount of administrative costs, including the costs of notice; and (v) the amount awarded by the Court to Lead Plaintiff and Class Counsel for attorneys' fees, costs, and expenses.

The compensable loss per share ("Recognized Loss") of each Authorized Claimant shall be calculated according to the following formula:

1. For shares purchased and sold between December 19, 2006 and June 24, 2007, inclusive, Recognized Loss is zero.
2. For shares purchased between December 19, 2006 and June 24, 2007, inclusive, and held on November 12, 2007, Recognized Loss per share is the lesser of:
 - A. \$5.17.
 - B. The price paid less the price received if sold prior to June 30, 2008.
 - C. \$8.28 less the price received if sold prior to June 30, 2008.
 - D. The price paid less \$3.11.
3. For Shares purchased between December 19, 2006, and June 24, 2007 inclusive and sold between November 6, 2007 and November 11, 2007, inclusive, Recognized Loss per share is the lesser of:
 - A. \$3.03.
 - B. \$8.28 less the price received.
 - C. The price paid less the price received.
 - D. The price paid less \$5.25.
4. For Shares purchased between December 19, 2006, and June 24, 2007 inclusive and sold between October 16, 2007 and November 5, 2007 inclusive, Recognized Loss per share is the lesser of:
 - A. \$.98.
 - B. \$8.28 less the price received.
 - C. The price paid less the price received.
 - D. The price paid less \$7.30.
5. For Shares purchased between December 19, 2006, and June 24, 2007 inclusive and sold between June 25, 2007 and October 15, 2007, inclusive, Recognized Loss per share is the lesser of:
 - A. \$1.01.
 - B. \$8.28 less the price received.
 - C. The price paid less the price received.
 - D. The price paid less \$6.14.
6. For shares purchased and sold between June 25, 2007, and October 15, 2007, inclusive, Recognized Loss is zero.
7. For shares purchased between June 25, 2007, and October 15, 2007, inclusive, and held on November 12, 2007, Recognized Loss per share is the lesser of:
 - A. \$4.84.
 - B. The price paid less the price received if sold prior to June 30, 2008.

- C. \$8.28 less the price received if sold prior to June 30, 2008.
D. The price paid less \$3.11.
8. For Shares purchased between June 25, 2007 and October 15, 2007 inclusive and sold between November 6, 2007 and November 11, 2007, inclusive, Recognized Loss per share is the lesser of:
- A. \$3.03.
B. \$8.28 less the price received.
C. The price paid less the price received.
D. The price paid less \$5.25.
9. For Shares purchased between June 25, 2007 and October 15, 2007 inclusive and sold between October 16, 2007 and November 5, 2007, inclusive, Recognized Loss per share is the lesser of:
- A. \$0.98.
B. \$8.28 less the price received.
C. The price paid less the price received.
D. The price paid less \$7.30.
10. For shares purchased and sold between October 16, 2007 and November 5, 2007, inclusive, Recognized Loss is zero.
11. For shares purchased between October 16, 2007 and November 5, 2007, inclusive, and held on November 12, 2007, Recognized Loss per share is the lesser of:
- A. \$2.69.
B. The price paid less the price received if sold prior to June 30, 2008.
C. \$8.28 less the price received if sold prior to June 30, 2008.
D. The price paid less \$3.11.
12. For Shares purchased between October 16, 2007, and November 5, 2007 inclusive and sold between November 6, 2007 and November 11, 2007, inclusive, Recognized Loss per share is the lesser of:
- A. \$1.12.
B. \$8.28 less the price received.
C. The price paid less the price received.
D. The price paid less \$5.25.
13. For shares purchased and sold between November 6, 2007 and November 11, 2007, inclusive, Recognized Loss is zero.
14. For shares purchased between November 6, 2007 and November 11, 2007, inclusive, and held on November 12, 2007, Recognized Loss per share is the lesser of:
- A. \$2.25
B. The price paid less the price received if sold prior to June 30, 2008.
C. \$8.28 less the price received if sold prior to June 30, 2008.
D. The price paid less \$3.11.
15. For shares purchased on November 12, 2007, Recognized Loss per share is the lesser of:
- A. The price paid less the price received if sold prior to June 30, 2008.
B. The price paid less \$3.11.
- c. Are there any further limitations on the amount I may receive?**
- i) To the extent there are sufficient funds in the Net Settlement Fund, each Class Member with a Recognized Loss that satisfies the requirements approved by the Court ("Authorized Claimant") will receive an amount equal to the Authorized Claimant's Recognized Loss described above. If, however, the amount in the Net Settlement Fund is not sufficient to permit payment of the total Recognized Loss of each Authorized Claimant, then each Authorized Claimant shall be paid the percentage of the Net Settlement Fund that each Authorized Claimant's Recognized Loss bears to the total of the Recognized Losses of all Authorized Claimants.
- ii) For Class members who conducted multiple transactions in Fuwei Stock during the Class Period, the earliest subsequent sale shall be matched first against those shares in the Claimant's opening position on the first day of the Class Period, and then matched chronologically thereafter against each purchase made during the Class Period.
- iii) Transactions during the Class Period resulting in a gain shall be netted against the Class Members transactions resulting in a loss to arrive at the Recognized Loss.

- iv) Any Class members whose collective transactions in Fuwei Stock during the Class Period resulted in a net gain shall not be entitled to share in the Net Settlement Fund.
- v) The purchase and sales prices exclude any brokerage commissions, transfer taxes or other fees.
- vi) The covering purchase of a short sale is not an eligible purchase. Gifts and transfers are not eligible purchases.

8. How can I get a payment?

To qualify for a payment, you must send in a form entitled "Proof of Claim and Release" form. This claim form is attached to this Notice. You may also obtain a claim form on the Internet at www.strategicclaims.net. Read the instructions carefully, fill out the form, sign it in the location indicated, and mail the claim form together with all documentation requested in the form, postmarked no later than March 10, 2011, to:

Fuwei Films Securities Litigation
Claims Administrator
c/o Strategic Claims Services
P.O. Box 230
600 N. Jackson Street, Suite 3
Media, PA 19063

The Claims Administrator will process your claim and determine whether you are an "Authorized Claimant."

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

Unless you exclude yourself, you will remain in the Class. That means that if the Settlement is approved, you and all Class Members will release (agreeing never to sue, continue to sue, or be part of any other lawsuit) all claims against Defendants, any of their current, former, or future parents, subsidiaries, affiliates, partners, joint venturers, officers, directors, principals, shareholders, members, agents (acting in their capacity as agents), employees, attorneys, insurers, reinsurers, advisors, accountants, associates, and/or any other individual or entity in which any Defendant has a controlling interest or which is related to or affiliated with any of the Defendants, and the current, former, and future legal representatives, heirs, successors in interest, or assigns of the Defendants ("Released Parties") in connection with your acquisition of Fuwei Stock during the Class Period, except that you do not release the Released Parties from any claim or action to enforce the Settlement. It also means that all of the Court's orders will apply to you and legally bind you. If you sign the claim form, you are agreeing to a "Release of Claims," which will bar you from ever filing a lawsuit against any Released Party to recover losses from the acquisition or sale of Fuwei Stock during the Class Period, except to enforce the Settlement. That means you will accept a share in the Net Settlement Fund as sole compensation for any losses you have suffered in the acquisition and sale of Fuwei Stock during the Class Period.

10. How do I get out of the Settlement?

If you do not want to receive a payment from this Settlement, and you want to keep the right to sue or continue to sue Defendants on your own based on the legal claims raised in this Class Action, then you must take steps to get out of the Settlement. This is called excluding yourself from – or "opting out" of – the Settlement. To exclude yourself from the Settlement, you must mail a letter stating you want to be excluded as a Class Member from In re Fuwei Films Securities Litigation, Case No. 07-CV-9416. Be sure to include your name, address, telephone number and your signature, along with an accurate list of all of your purchases and sales of Fuwei Stock. You must mail your exclusion request, postmarked no later than March 10, 2011, to:

Fuwei Films Securities Litigation
Claims Administrator
c/o Strategic Claims Services
P.O. Box 230
600 N. Jackson Street, Suite 3
Media, PA 19063

You cannot exclude yourself by telephone or by e-mail. If you ask to be excluded, you will not receive a settlement payment, and you cannot object to the Settlement. If you ask to be excluded, you will not be legally bound by anything that happens in this Class Action.

11. If I do not exclude myself, can I sue Defendants for the same thing later?

No. Unless you exclude yourself, you give up any right to sue Defendants for the claims that this Settlement resolves. If you have a pending lawsuit, speak to your lawyer in that case immediately, since you may have to exclude yourself from this Class to continue your own lawsuit.

12. Do I have a lawyer in this case?

The Court appointed The Rosen Law Firm, P.A. to represent you and the other Class Members. These lawyers are called Lead Plaintiff's Counsel or Class Counsel. If you want to be represented by your own lawyer, you may hire one at your own expense.

13. How will the lawyers be paid?

Class Counsel have expended considerable time litigating this action on a contingent fee basis, and have paid for the expenses of the litigation themselves and have not been paid attorneys' fees in advance of this Settlement with the expectation that if they are successful in recovering money for the Class, they will receive attorneys' fees and be reimbursed for their litigation expenses from the Settlement Fund, as is customary in this type of litigation. Class Counsel will not receive attorneys' fees or be reimbursed for their litigation expenses except from the Settlement Fund. Therefore, Class Counsel will file a motion asking the Court at the Settlement Hearing to make an award of attorneys' fees in an amount not to exceed one-third of the Settlement amount, for reimbursement of reasonable litigation expenses not to exceed \$75,000, and an award to the Lead Plaintiff in an amount not to exceed \$2,500. The Court may award less than these amounts. Any amounts awarded by the Court will come out of the Settlement Fund.

14. How do I tell the Court that I do not like the Settlement?

You can tell the Court you do not agree with the Settlement, any part of the Settlement, or Class Counsel's motion for attorneys' fees, and that you think the Court should not approve the Settlement, by mailing a letter stating that you object to the Settlement in the matter of *In re Fuwei Films Securities Litigation*, Case No. 07-CV-9416. Be sure to include your name, address, telephone number, your signature, a list of your purchases and sales of Fuwei Stock in order to show your membership in the Class, and all of the reasons you object to the Settlement. Be sure to mail the objections to the three different places listed below, postmarked no later than April 13, 2011, so the Court will consider your views:

COURT	CLASS COUNSEL	DEFENSE COUNSEL
Clerk of the Court United States District Court Southern District of New York 500 Pearl Street New York, New York 10007	Phillip Kim, Esq. THE ROSEN LAW FIRM, P.A. 275 Madison Avenue, Suite 3400 New York, New York 10016	Laura M. Vasey, Esq. LOEB & LOEB LLP 345 Park Avenue New York, New York 10154

15. What is the difference between objecting and requesting exclusion?

Objecting is simply telling the Court you do not like something about the Settlement. You can object only if you stay in the Class. Requesting exclusion is telling the Court you do not want to be part of the Class and Settlement. If you exclude yourself, you cannot object to the Settlement because it no longer concerns you.

16. When and where will the Court decide whether to approve the Settlement?

The Court will hold a Settlement Hearing on April 27, 2011, at 10:00 a.m., at the United States District Court for the Southern District of New York, 500 Pearl Street, New York, New York 10007.

At this hearing, the Court will consider whether the Settlement is fair, reasonable, and adequate and whether to approve the Settlement. If there are objections, the Court will consider them, and the Court will listen to people who have asked to speak at the hearing. The Court may also decide how much to pay Class Counsel for attorneys' fees and expenses.

17. Do I have to come to the hearing?

No. Class Counsel will answer any questions the Court may have. However, you are welcome to attend at your own expense. If you send an objection, you do not have to come to Court to talk about it. As long as you mail your written objection on time, the Court will consider it.

18. What happens if I do nothing at all?

If you do nothing, you will not receive a payment from the Settlement. However, unless you exclude yourself, you will not be able to start a lawsuit, continue with a lawsuit, or be part of any other lawsuit against Defendants about the claims made in this case ever again.

DATED: JANUARY 4, 2011.

BY ORDER OF THE UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF NEW YORK

**Fuwei Films Securities Litigation
Claims Administrator
c/o Strategic Claims Services
P.O. Box 230
600 N. Jackson Street, Suite 3
Media, PA 19063**

PROOF OF CLAIM AND RELEASE

Deadline for Submission: March 10, 2011

IF YOU PURCHASED THE COMMON STOCK OF FUWEI FILMS (HOLDINGS), CO., LTD. DURING THE PERIOD FROM DECEMBER 19, 2006 THROUGH NOVEMBER 12, 2007, INCLUSIVE (THE "CLASS PERIOD"), YOU ARE A "CLASS MEMBER" AND YOU MAY BE ENTITLED TO SHARE IN THE SETTLEMENT PROCEEDS.

IF YOU ARE A CLASS MEMBER, YOU MUST COMPLETE AND SUBMIT THIS FORM IN ORDER TO BE ELIGIBLE FOR ANY SETTLEMENT BENEFITS.

YOU MUST COMPLETE AND SIGN THIS PROOF OF CLAIM AND RELEASE ("PROOF OF CLAIM") AND MAIL IT BY FIRST CLASS MAIL, POSTMARKED NO LATER THAN MARCH 10, 2011 TO STRATEGIC CLAIMS SERVICES, THE CLAIMS ADMINISTRATOR, AT THE FOLLOWING ADDRESS:

Fuwei Films Securities Litigation
Claims Administrator
c/o Strategic Claims Services
P.O. Box 230
600 N. Jackson Street, Suite 3
Media, PA 19063

YOUR FAILURE TO SUBMIT YOUR CLAIM BY MARCH 10, 2011 WILL SUBJECT YOUR CLAIM TO REJECTION AND PRECLUDE YOUR RECEIVING ANY MONEY IN CONNECTION WITH THE SETTLEMENT OF THIS ACTION. DO NOT MAIL OR DELIVER YOUR CLAIM TO THE COURT OR TO ANY OF THE PARTIES OR THEIR COUNSEL AS ANY SUCH CLAIM WILL BE DEEMED NOT TO HAVE BEEN SUBMITTED. SUBMIT YOUR CLAIM ONLY TO THE CLAIMS ADMINISTRATOR.

CLAIMANT'S STATEMENT

1. I (we) purchased common stock in Fuwei Films (Holdings), Co., Ltd. ("Fuwei") and was (were) damaged thereby. (Do not submit this Proof of Claim if you did not purchase Fuwei common stock during the designated Class Period).
2. By submitting this Proof of Claim, I (we) state that I (we) believe in good faith that I am (we are) a Class Member as defined above and in the Notice of Pendency and Settlement of Class Action (the "Notice"), or am (are) acting for such person(s); that I am (we are) not a Defendant in the Actions or anyone excluded from the Class; that I (we) have read and understand the Notice; that I (we) believe that I am (we are) entitled to receive a share of the Net Settlement Fund, as defined in the Notice; that I (we) elect to participate in the proposed Settlement described in the Notice; and that I (we) have not filed a request for exclusion. (If you are acting in a representative capacity on behalf of a Class Member [e.g., as an executor, administrator, trustee, or other representative], you must submit evidence of your current authority to act on behalf of that Class Member. Such evidence would include, for example, letters testamentary, letters of administration, or a copy of the trust documents.)
3. I (we) consent to the jurisdiction of the Court with respect to all questions concerning the validity of this Proof of Claim. I (we) understand and agree that my (our) claim may be subject to investigation and discovery under the Federal Rules of Civil Procedure, provided that such investigation and discovery shall be limited to my (our) status as a Class Member(s) and the validity and amount of my (our) claim. No discovery shall be allowed on the merits of the Litigation or Settlement in connection with processing of the Proof of Claim.
4. I (we) have set forth where requested below all relevant information with respect to each purchase of Fuwei common stock during the Class Period, and each sale, if any, of such securities. I (we) agree to furnish additional information to the Claims Administrator to support this claim if requested to do so.
5. I (we) have enclosed photocopies of the stockbroker's confirmation slips, stockbroker's statements, or other documents evidencing each purchase, sale or retention of Fuwei common stock listed below in support of my (our) claim. (IF ANY SUCH DOCUMENTS ARE NOT IN YOUR POSSESSION, PLEASE OBTAIN A COPY OR EQUIVALENT DOCUMENTS FROM YOUR BROKER BECAUSE THESE DOCUMENTS ARE NECESSARY TO PROVE AND PROCESS YOUR CLAIM.)

6. I (we) understand that the information contained in this Proof of Claim is subject to such verification as the Claims Administrator may request or as the Court may direct, and I (we) agree to cooperate in any such verification. (The information requested herein is designed to provide the minimum amount of information necessary to process most simple claims. The Claims Administrator may request additional information as required to efficiently and reliably calculate your recognized claim. In some cases, the Claims Administrator may condition acceptance of the claim based upon the production of additional information, including, where applicable, information concerning transactions in any derivatives securities such as options.)
7. Upon the occurrence of the Court's approval of the Settlement, as detailed in the Notice, I (we) agree and acknowledge that my (our) signature(s) hereto shall effect and constitute a full and complete release, remise and discharge by me (us) and my (our) heirs, joint tenants, tenants in common, beneficiaries, executors, administrators, predecessors, successors, attorneys, insurers and assigns (or, if I am (we are) submitting this Proof of Claim on behalf of a corporation, a partnership, estate or one or more other persons, by it, him, her or them, and by its, his, her or their heirs, executors, administrators, predecessors, successors, and assigns) of each of the "Released Parties" of all "Release of Claims," as defined in the Notice.
8. NOTICE REGARDING ELECTRONIC FILES: Certain claimants with large numbers of transactions may request, or may be requested, to submit information regarding their transactions in electronic files. All Claimants **MUST** submit a manually signed paper Proof of Claim form listing all their transactions whether or not they also submit electronic copies. If you wish to file your claim electronically, you must contact the Claims Administrator at 1-866-274-4004 or visit their website at www.strategicclaims.net to obtain the required file layout. No electronic files will be considered to have been properly submitted unless the Claims Administrator issues to the Claimant a written acknowledgment of receipt and acceptance of electronically submitted data.

III. SUBSTITUTE FORM W-9

Request for Taxpayer Identification Number:

Enter taxpayer identification number below for the Beneficial Owner(s). For most individuals, this is your Social Security Number. The Internal Revenue Service ("I.R.S.") requires such taxpayer identification number. If you fail to provide this information, your claim may be rejected.

IV. CERTIFICATION

I (We) certify that I am (we are) NOT subject to backup withholding under the provisions of Section 3406 (a)(1)(c) of the Internal Revenue Code because: (a) I am (We are) exempt from backup withholding, or (b) I (We) have not been notified by the I.R.S. that I am (we are) subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the I.R.S. has notified me (us) that I am (we are) no longer subject to backup withholding.

NOTE: If you have been notified by the I.R.S. that you are subject to backup withholding, please strike out the language that you are not subject to backup withholding in the certification above.

UNDER THE PENALTIES OF PERJURY, I (WE) CERTIFY THAT ALL OF THE INFORMATION I (WE) PROVIDED ON THIS PROOF OF CLAIM AND RELEASE FORM IS TRUE, CORRECT AND COMPLETE.

Signature of Claimant (If this claim is being made on behalf of Joint Claimants, then each must sign)

(Signature)

(Signature)

(Capacity of person(s) signing, e.g. beneficial purchaser(s), executor, administrator, trustee, etc.)

Check here if proof of authority to file is enclosed.
(See Item 2 under Claimant's Statement)

Date: _____

THIS PROOF OF CLAIM MUST BE SUBMITTED NO LATER THAN MARCH 10, 2011 AND MUST BE MAILED TO:

**Fuwei Films Securities Litigation
Claims Administrator
c/o Strategic Claims Services
P.O. Box 230
600 N. Jackson Street, Suite 3
Media, PA 19063**

A Proof of Claim received by the Claims Administrator shall be deemed to have been submitted when posted, if mailed by March 10, 2011 and if a postmark is indicated on the envelope and it is mailed first class and addressed in accordance with the above instructions. In all other cases, a Proof of Claim shall be deemed to have been submitted when actually received by the Claims Administrator.

You should be aware that it will take a significant amount of time to process fully all of the Proofs of Claim and to administer the Settlement. This work will be completed as promptly as time permits, given the need to investigate and tabulate each Proof of Claim. Please notify the Claims Administrator of any change of address.

REMINDER CHECKLIST

- o Please be sure to sign this Proof of Claim on page 10. If this Proof of Claim is submitted on behalf of joint claimants, then both claimants must sign.
- o Please remember to attach supporting documents. Do NOT send any stock certificates. Keep copies of everything you submit.
- o Do NOT use highlighter on the Proof of Claim or any supporting documents.
- o If you move after submitting this Proof of Claim, please notify the Claims Administrator of the change in your address.

Fuwei Films Securities Litigation
c/o Strategic Claims Services
P.O. Box 230
600 N. Jackson Street, Suite 3
Media, PA 19063

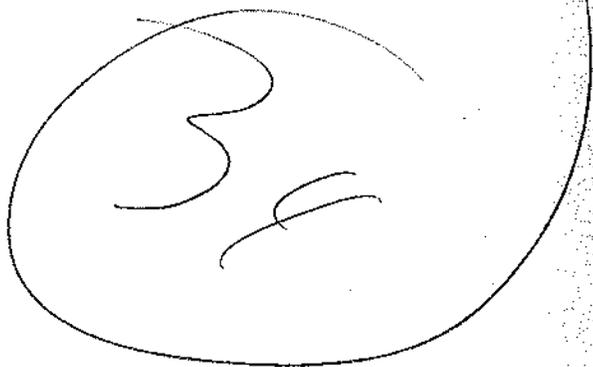
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PLEASE FORWARD

FIRST CLASS MAIL

PLEASE FORWARD—IMPORTANT LEGAL NOTICE

Gautam Sathe / Aratidevi Sathe
97 Green Tree Rd
Tonawanda, NY 14150



Phillip Kim, Esq.
THE ROSEN LAW FIRM, P.A.
275 Madison Avenue, Suite 3400
New York, New York 10016



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EXHIBIT 2

THE ROSEN LAW FIRM P.A. BIOGRAPHY

I. ATTORNEYS

LAURENCE ROSEN - MANAGING ATTORNEY

Laurence Rosen is a 1988 graduate of New York University School of Law. He earned an M.B.A. in finance and accounting at the University of Chicago Graduate School of Business and a B.A. in Economics from Emory University. Mr. Rosen served as a law clerk to the Honorable Stanley S. Brotman, Senior United States District Judge for the District of New Jersey. Mr. Rosen entered private practice as an associate at the law firm of Skadden Arps Slate Meagher & Flom in New York City where he participated in a number of complex securities class action and derivative litigation matters. He later served as an associate at McCarter & English in Newark, New Jersey where he specialized in securities and business litigation.

After practicing general securities and commercial litigation in New York City with Solton Rosen & Balakhovsky LLP, Mr. Rosen founded The Rosen Law Firm to represent investors exclusively in securities class actions and derivative litigation. Mr. Rosen is admitted to practice law in New York, California, Florida, New Jersey and the District of Columbia. Mr. Rosen is also admitted to practice before numerous United States District Courts throughout the country and the United States Court of Appeals for the Second, Fourth, and Sixth Circuits.

JULIE KAMPS - ATTORNEY

Julie Kamps graduated Harvard Law School, *cum laude*, in 1998. She received a Bachelor of Philosophy, *summa cum laude*, from the University of Pittsburgh in 1995, where she was the class valedictorian. She practiced securities litigation and other commercial litigation for more than a decade at Fried, Frank, Harris, Shriver & Jacobson LLP in New York. She is

admitted to practice in New York, the United States District Courts for the Southern District of New York and the Eastern District of New York, as well as the United States Courts of Appeals for the Second and Third Circuits.

PHILLIP KIM – ATTORNEY

Mr. Kim graduated from Villanova University School of Law in 2002. He received a B.A. in Economics from The Johns Hopkins University in Baltimore, Maryland in 1999. Prior to joining The Rosen Law Firm, Mr. Kim served as Assistant Corporation Counsel for the City of New York in the Special Federal Litigation Division. In that position, Mr. Kim defended a number of class action lawsuits, litigated numerous individual actions, and participated in more than seven trials. Mr. Kim focuses his practice on securities class actions and shareholder derivative litigation. Mr. Kim is admitted to the bar of the State of New York and admitted to practice in the United States District Courts for the Southern District of New York, the Eastern District of New York and the District of Colorado, and the United States Court of Appeals for the Second Circuit.

TIMOTHY W. BROWN – ATTORNEY

In 2004 Mr. Brown graduated from the University of Chicago School of Law at which he was a recipient of a merit scholarship. Mr. Brown received his B.A. in Business Economics, *magna cum laude*, from Brown University in 2001. Mr. Brown specializes in securities class actions and shareholder derivative litigation. Mr. Brown is admitted to the bar of the State of New York and admitted to practice in the United States District Court for the Southern District of New York. Mr. Brown was previously employed by UBS, AG.

JONATHAN HORNE- ATTORNEY

Mr. Horne is a 2009 graduate of New York University School of Law, where he received the Lederman/Milbank Law, Economics, and Business fellowship, and holds a B.A. in Economics & Philosophy from the University of Toronto. Mr. Horne began his practice at Kaye Scholer Fierman Hays & Handler LLP, where he participated in two federal trials. Mr. Horne specializes in securities litigation. He is admitted to practice in New York and numerous federal district courts.

YUXIA ZHANG- ATTORNEY

Ms. Zhang graduated from Columbia University School of Law in 2009 with Master of Laws (L.L.M) degree. She received a Bachelor of Law degree from Shanghai Maritime University School of Law, *Cum Laude*, in 2003. Ms. Zhang began her U.S. practice at Dai & Associates, P.C., where she participated in representing China-related clients in various commercial litigations, both in state and federal courts. She also has extensive experience in real estate transactions, investment immigration and maritime law. Prior to her U.S. practice, Ms. Zhang was an in-house counsel at a large state-owned corporation in China. Ms. Zhang specializes in securities litigation. She is admitted to practice in New York.

CHRISTOPHER S. HINTON – OF COUNSEL

Mr. Hinton is admitted to the bars of the State of New York, the United States District Court for the Southern District of New York, United States District Court for the Eastern District of Wisconsin, and the United States District Court for the District of Nebraska. He received a B.A. degree in Economics and Political Science in 1997, *magna cum laude*, from Marquette University, where he was elected to Phi Beta Kappa, and received a J.D. degree, *cum laude*, from University of Illinois College of Law at Champaign in 2002. His primary area of practice is

securities and ERISA class action litigation. He co-authored Foreign Investors Serving as Lead Plaintiffs in U.S.- Based Securities Cases, International Practice Section Newsletter (Association of Trial Lawyers of America, Washington, D.C.), Winter 2004 and Spring 2005. Mr. Hinton has been a member of the plaintiffs' bar since 2003 and has focused on class action litigation.

II. RECENT ACCOMPLISHMENTS OF THE ROSEN LAW FIRM PA

In re Textainer Financial Servs. Corp., No. CGC 05-440303. The Rosen Law Firm was Co-Lead Counsel in this class action in the California Superior Court, San Francisco County alleging breach of fiduciary duty in connection with the sale of the assets of six related publicly traded limited partnerships. After winning the first phase of a multi-phase bench trial, Plaintiffs obtained a \$10 million cash settlement for class members.

Friedman v. Quest Energy Partners LP, et al., Case No. CIV-08-936-M. The Rosen Law Firm was sole Lead Counsel on behalf of purchasers of Quest Resource Corporation's securities in this consolidated class action filed in the U.S. District Court for the Western District of Oklahoma. The complaint alleged violations of §§10b and 20(a) of the Securities Exchange Act arising out of the Company's issuance of materially false and misleading statements in connection with the Company's former CEO and CFO misappropriating nearly \$10 million. All classes and parties to this litigation settled this action for \$10.1 million in cash.

In re Nature's Sunshine Products, Inc. Securities Litigation, Case No. 2:06-cv-00267-TS-SA. The Rosen Law Firm was sole Lead Class Counsel in this class action in the U.S. District Court for the District of Utah. The complaint alleged violations of §§ 10b and 20(a) of the Securities Exchange Act arising out of the Company's materially false and misleading statements concerning its financial statements and business practices. Following the certification of the class and extensive discovery, Plaintiffs agreed to settle this case for \$6 million in cash.

In re Entropin, Inc. Securities Litigation, Case No. CV 04-6180-RC. The Rosen Law Firm was counsel to Plaintiff in this securities class action in the United States District Court for the Central District of California, and Lead Counsel in the related class action brought in California state court. These actions alleged violations of §§ 10b and 20(a) of the Securities Exchange Act and violations various state securities laws arising out of allegedly false and misleading statements about the Company's lead drug candidate Esterom, respectively. On the eve of trial, Defendants agreed to settle these cases for a \$4.5 million cash payment to class members.

In re StockerYale, Inc. Securities Litigation, Case No. 1:05-cv-00177. The Rosen Law Firm served as sole Lead Counsel in this consolidated class action in the U.S. District Court for the District of New Hampshire. The complaint alleged violations of §§ 10b, 20(a) and 20A of the Securities Exchange Act arising out of the issuance of allegedly false and misleading press releases regarding certain contracts the Company claimed to have signed. Plaintiffs settled this class action for \$3.4 million cash payment to class members.

Mallozzi v. Industrial Enterprises of America, Inc., Case No. 07-CV-10321 (GBD). The Rosen Law Firm is currently serving as Co-Lead Counsel in this class action pending in the U.S. District Court for the Southern District of New York. The complaint alleges violations of §§ 10b and 20(a) of the Securities Exchange Act arising out of the Company's issuance of materially false and misleading statements of revenues and earnings. The parties have agreed to settle this class action for \$3.4 million in cash, pending court approval.

Meruelo Capital Partners 2, LLC et al. v. Wedbush Morgan Securities, Inc., Case no. BC 352498. The Rosen Law Firm was co-counsel to plaintiffs in this action brought in California Superior Court, Los Angeles County for violations of the California State securities laws against the securities issuer and broker-dealer in connection with the sale of \$2.5 million worth of

securities. On the eve of trial, plaintiffs settled the claims against the issuer for a cash payment of \$1 million. Following an eight day jury trial, Plaintiffs obtained a jury verdict in their favor and against the underwriter for over \$2.2 million (which included prejudgment interest). In sum, plaintiffs recovered over \$3.2 million, which represented 100% of plaintiffs' principal investment of \$2.5 million and over \$700,000 in prejudgment interest.

In re Skilled Healthcare Group, Inc. Securities Litigation, Case No. 2:09-CV-5416-DOC (RZx). The Rosen Law Firm was Co-Lead Counsel in this class action in the U.S. District Court for the Central District of California. The complaint alleged violations of the §§ 11, 12(a)(2), and 15 of the Securities Act of 1933 and §§10b and 20(a) of the Securities Exchange Act arising out of the Company's issuance of materially false and misleading statements of revenue and earnings. Plaintiffs settled this action for \$3 million in cash.

Madden v. Pegasus Communications Corp, Case No. 2:05-cv-0568. The Rosen Law Firm was sole Lead Counsel in this class action in the U.S. District Court for the Eastern District of Pennsylvania. The action alleged violations of §§ 10b and 20(a) of the Securities Exchange Act arising out of the issuance of allegedly false and misleading statements concerning the Company's direct broadcast satellite agreement with DirecTV and the Company's reported subscriber growth and totals. Plaintiffs settled this action for a \$2.95 million cash payment to class members.

In re TVIA, Inc. Securities Litigation, Case No. C-06-06403-RMW. The Rosen Law Firm was sole Lead Counsel in this consolidated class action in the U.S. District Court for the Northern District of California. The complaint alleged violations of §§ 10b, 20(a), 20A of the Securities Exchange Act arising out of the Company's issuance of materially false and misleading financial statements by virtue of the Company improper recognition of revenues in

violation of GAAP. Plaintiffs settled this action for a \$2.85 million cash payment to class members.

Zagami v. Natural Health Trends Corp., et al., Case No. 3:06-CV-1654-D. The Rosen Law Firm served as sole Lead Counsel in this class action in the U.S. District Court for the Northern District of Texas. The complaint alleged violations of § 10b and 20(a) of the Securities Exchange Act arising out of the Company's issuance of materially false and misleading financial statements in violation of GAAP. Plaintiffs settled this case for \$2.75 million cash payment to class members.

In re Robert T. Harvey Securities Litigation, Case No. SA CV-04-0876 DOC (PJWx). The Rosen Law Firm served as Co-Lead Counsel in this class action in the U.S. District Court for the Central District of California and the related California state court class actions. This action alleged violations of §§ 10b and 20(a) of the Securities Exchange Act arising out of the sale of partnership interests that corresponded to the securities of Chaparral Network Storage and AirPrime, Inc., n./k/a Sierra Wireless, Inc. Plaintiffs settled this and the related state court actions for an aggregate \$2.485 million cash payment to class members.

In re Fuwei Films Securities Litigation, Case no. 07-CV-9416 (RJS). The Rosen Law Firm is currently serving as sole Lead Counsel in this consolidated class action pending in the U.S. District Court for the Southern District of New York. The complaint alleges violations of §§ 11, 12(a)(2), and 15 of the Securities Act of 1933 in connection material misrepresentations in the Company's Registration Statement and Prospectus in connection with the Company's \$35 million IPO. The parties have preliminarily agreed to settle this action for \$2.15 million, pending Court approval.

Burritt v. Nutracea, Inc., Case No. CV-09-00406-PHX-FJM. The Rosen Law Firm was sole Lead Counsel in this consolidated class action pending the U.S. District Court for the

District of Arizona. This action alleged violations of §§ 10b and 20(a) of the Securities Exchange Act of 1934 and the Arizona securities laws in connection with the Company's issuance of materially false and misleading statements of earnings and revenues. Plaintiffs settled this action for \$1.5 million in cash and a remainder interest of 50% of the issuer's directors' and officers' liability insurance policy.

In re PartsBase.com, Inc. Securities Litigation, Case No. 01-8319. The Rosen Law Firm was Co-Lead Counsel in this class action in the U.S. District Court for the Southern District of Florida. The action arose from a \$45.5 million initial public offering of common stock by the defendant issuer and a syndicate of underwriters including Roth Capital Partners and PMG Capital Corp. Plaintiffs settled this action for \$1.5 million cash settlement for class members.

In re Empyrean Bioscience Securities Litigation, Case No. 1:02CV1439. This class action in which the Rosen Law Firm was sole Lead Counsel was filed in the U.S. District Court for the Northern District of Ohio. The action alleged violations of §§10b and 20(a) of the Securities Exchange Act based on misrepresentations in defendants' SEC filings and press releases concerning the clinical testing of the Company's GEDA Plus microbicide gel. After the court denied defendants' motion to dismiss the complaint, the parties briefed the issue of whether the securities were traded in an efficient market. Prior to a decision on market efficiency, Plaintiffs settled the case for a \$1.4 million payment to class members.

In re Himax Technologies, Inc. Securities Litigation, Case No. C 07-4891-DDP. The Rosen Law Firm served as Co-Lead Counsel in this consolidated class action in the U.S. District Court for the Central District of California, Western Division. The complaint alleged violations of §§ 11 and 15 of the Securities Act arising out of the Company's IPO. Plaintiffs agreed to settle this case for \$1.2 million cash payment to class members.

In re Flight Safety Technologies, Inc. Securities Litigation, Case No. 3:04-cv-1175. The Rosen Law Firm was sole Lead Counsel in this consolidated class action in the U.S. District Court for the District of Connecticut. The action alleged violations of §§ 10b and 20(a) of the Securities Exchange Act arising out of the defendants alleged failure to disclose material adverse information concerning the Company's products under development and misrepresenting the amount of time it would take to commercialize the products. Plaintiffs settled the case for a \$1.2 million cash payment to class members.

In re: M.H. Meyerson & Co. Securities Litigation, Case No. 02-CV-2724. This class action, in which the Rosen Law Firm was sole Lead Counsel, was filed in U.S. District Court for District of New Jersey. The complaint alleged violations of §§ 10b and 20(a) of the Securities Exchange Act based on allegedly false and misleading SEC filings related to the planned launch of an online brokerage business, and other material misrepresentations, which allegedly inflated the price of Meyerson stock during the class period. Plaintiffs settled the case for a \$1.2 million payment to class members.

In re OPUS360 Corp. Securities Litigation, Case No. 01-Civ-2938. The Rosen Law Firm was Co-Lead Counsel for this action brought in the Southern District of New York alleging violations of the federal securities laws arising from a \$75.0 million initial public offering of common stock by the defendant issuer and a syndicate of underwriters including JP Morgan and Robertson Stephens, Inc. The Court certified the action as a class action and approved a final settlement.

Fouladian v. Busybox.com, Inc., Case No. BC 248048. The Rosen Law Firm was Co-Lead Counsel in this class action brought in California Superior Court, Los Angeles County. The action arose from a \$12.8 million initial public offering of securities by the defendant issuer and underwriter. California and federal securities laws claims (Cal. Corp. Code §25401 and §11

of 1933 Act) were brought on behalf of a nationwide class of public offering investors. The Court approved a \$1.0 million cash settlement to a nationwide class of investors.

Gianoukas v. Tullio and Riiska, Case No. 02CC18223. The Rosen Law Firm was lead counsel to a group of twenty-one plaintiffs that brought claims of fraud and negligent misrepresentation in California Superior Court, Orange County against the former Chief Executive and Chief Financial Officers of a publicly traded software company, NQL Inc. The complaint alleged that the officers issued a series of false and misleading press releases concerning the business of NQL for the purpose of inducing the purchase and retention of NQL securities. Plaintiffs settled the action favorably for a confidential amount.

The BoxLot Company v. InfoSpace, Inc., Case No. GIC 779231. The Rosen Law Firm was plaintiff's counsel for this action filed in California Superior Court, San Diego County which arose from the aborted merger agreement and ultimate sale of The BoxLot Company's assets to InfoSpace. The action alleged violations of California securities laws (Cal. Corp. Code §25400 & §25401) and common laws and sought damages of \$92.8 million from InfoSpace and its CEO, Naveen Jain. The case settled favorably for plaintiffs for a confidential amount.

Huttenstine v. Mast, Case No. 4:05-cv-152 F(3). The Rosen Law Firm is currently serving as sole Lead Counsel in this class action pending in the U.S. District Court for the Eastern District of North Carolina. The complaint alleges violations of §§10b and 20(a) of the Securities Exchange Act arising out of the Company's material misstatements and omissions concerning the nature of certain sales contracts it had entered into. Plaintiffs have preliminarily agreed to settle this action this action for \$425,000 cash payment to class members.

Kinzinger v. Paradigm Medical Industries, Inc., Case No. 03-0922608. The Rosen Law Firm served as sole Lead Counsel in this class action filed in Utah state court alleged violations of the Utah Securities Act against Paradigm Medical arising out of false and misleading

statements made to investors in a \$5.0 million private placement of securities. The court approved a \$625,000 settlement on behalf of the private placement purchasers.

III. SECURITIES CLASS ACTIONS IN WHICH THE ROSEN LAW FIRM P.A. IS CURRENTLY LEAD COUNSEL

In re Northfield Laboratories, Inc. Securities Litigation, Case No. 06 C 1493. The Rosen Law Firm is currently serving as sole Lead Counsel in this consolidated class action pending the U.S. District Court for the Northern District of Illinois. The complaint alleges violations of §§ 10b and 20(a) of the Securities Exchange Act arising out of the Company's materially false and misleading statements concerning its PolyHeme blood substitute product and business prospects. The complaint alleges that the Company was able to attain a market capitalization of over \$550 million based on the false and misleading statements. This action is in discovery.

Ray v. TierOne Corporation, Case No. 10CV199. The Rosen Law Firm is currently serving as sole Lead Counsel in this class action pending in the U.S. District Court for the District of Nebraska. The complaint alleges violations of §§10b and 20(a) of the Securities Exchange Act arising out of the Company's issuance of materially false and misleading statements of earnings and the Company's banking operations and business. This action is at the pleading stage.

Munoz v. China Expert Technology, Inc., Case No. 07-CV-10531 (AKH). The Rosen Law Firm is currently serving as sole Lead Counsel in this class action pending in the U.S. District Court for the Southern District of New York. The complaint alleges violations of §§10b and 20(a) of the Securities Exchange Act arising out of the Company's issuance of materially false statements of revenues and earnings. This action is at the pleading stage.

Henning v. Orient Paper, Inc., No. CV 10-5887-VBF (AJWx). The Rosen Law Firm is currently serving as sole Lead Counsel in this class action pending in the U.S. District Court for

the Central District of California. The complaint alleges violations of §§10b and 20(a) of the Securities Exchange Act and certain violations of the Securities Act arising out of the Company's issuance of materially false and misleading statements about the Company's true financial condition and business prospects. The action is at the pleading stage.

Hufnagle v. RINO International Corporation, NO. CV 10-8695-VBF (VBKx). The Rosen Law Firm is currently serving as sole Lead Counsel in this consolidated class action pending in the U.S. District Court for the Central District of California. The complaint alleges violations of §§10b and 20(a) of the Securities Exchange Act arising out of the Company's issuance of materially false and misleading statements of revenue and earnings. This action is at the pleading stage.

Petrie v. Electronic Game Card, Inc., No. SACV 10-0252-DOC (RNBx). The Rosen Law Firm is currently serving as sole Lead Counsel in this consolidated class action pending in the U.S. District Court for the Central District of California. The complaint alleges violations of §§10b and 20(a) of the Securities Exchange Act arising out of the Company's issuance of materially false and misleading financial statements in violation of Generally Accepted Accounting Principles and the Company's publicly stated internal policies. This action is at the pleading stage.

Apicella v. China Education Alliance, Inc., No. C 10-9239-CAS (JCx). The Rosen Law Firm is currently serving as sole Lead Counsel in this consolidated class action pending in the U.S. District Court for the Central District of California. The complaint alleges violations of §§10b and 20(a) of the Exchange Act arising out of the Company's issuance of materially false and misleading statements of revenue and earnings. The action is at the pleading stage.

Zhu v. UCBH Holdings, Inc., No. C 09-4208-JSW. The Rosen Law Firm is currently serving as sole Lead Counsel in this consolidated class action pending in the U.S. District Court

for the Northern District of California. The complaint alleges violations of §§10b and 20(a) of the Securities Exchange Act arising out of the Company's issuance of materially false and misleading statements of revenue and earnings, and the Company's banking operations and business. This action is at the pleading stage.

Angeleri v. Kohlberg Capital Corporation, No. 09-CV-10609 (MGC). The Rosen Law Firm is currently serving as sole Lead Counsel in this consolidated class action pending in the U.S. District Court for the Southern District of New York. The complaint alleges violations of §§10b and 20(a) of the Securities Exchange Act arising out of the Company's issuance of materially false and misleading financial statements concerning the value of the Company's assets. This action is at the pleading stage.

Cole v. Duoyuan Printing, Inc., Case No. 10-CV-7325(GBD). The Rosen Law Firm is currently serving a Co-Lead Counsel in this class action pending in the U.S. District Court for the Southern District of New York. The complaint alleges violations of §§ 11, 12(a)(2), and 15 of the Securities Act of 1933 and §§10b and 20(a) of the Securities Exchange Act arising out of the Company's issuance of materially false and misleading statements about the Company's true financial condition and adequacy of the Company's internal controls. This action is at the pleading stage.

Waters v. General Electric Co., Case No. 08-CV-8484 (RJS). The Rosen Law Firm is currently serving as sole Lead Counsel in this class action currently on appeal with the U.S. Court of Appeals for the Second Circuit. The complaint alleges violations of §§10b and 20(a) of the Securities Exchange Act arising out of the Company's issuance of materially false statements about its need to raise additional capital and other aspects of its financial condition, and the Company's near-term financial outlook.

EXHIBIT 3

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

-----X	:	
	:	Case no. 07-CV-9416 (RJS)
IN RE FUWEI FILMS SECURITIES	:	
LITIGATION	:	
	:	CLASS ACTION
	:	
-----X	:	

DECLARATION OF LAURENCE M. ROSEN ON BEHALF OF THE ROSEN LAW FIRM, P.A. CONCERNING ATTORNEYS’ FEES AND EXPENSES

I, Laurence M. Rosen, declare and state, under penalty of perjury, that the following is true and correct to the best of my knowledge, information and belief:

1. I am an attorney duly licensed to practice law in New York, New Jersey, California and Florida. I am duly admitted to practice before this Court.

2. I am the managing attorney of The Rosen Law Firm, P.A., Lead Counsel for Lead Plaintiff and the Class in this litigation (the “Action”). I have personal knowledge of the matters set forth herein and, if called upon, I could and would completely testify thereto.

3. The Rosen Law Firm, P.A. has been involved in this Action from the pre-filing investigation beginning in October 2007 and continuing throughout all other aspects of this Action.

4. My firm rendered the following legal services in connection with the prosecution of this Action: conducted lengthy case investigation and assessment of the factual and legal bases of the action; communications with clients; drafted the initial complaint; prepared the motion for appointment of lead plaintiff and lead counsel; researched and prepared the amended complaint; identified and developed leads for witnesses; participated in settlement negotiations; research, drafted substantive motions, including opposing Defendants’ motions to dismiss; prepared and served numerous party and non-party discovery requests; reviewed thousands of documents obtained through discovery; draft responses and produce documents in response to Defendants’ discovery

demands; and negotiated and prepared settlement documents, conferred with clients about the Settlement, and prepared motions and briefs in support of approval of the settlement.

5. The chart below is a summary of time expended by the attorneys and professional staff of the Rosen Law Firm, P.A. on this Action, and the lodestar calculation based on their current billing rate. The chart was prepared from contemporaneous, daily time records regularly prepared and maintained by my firm. Time spent in preparing this Declaration in support of my firm's application for fees and reimbursement of expenses and any other time related to billing or periodic time reporting has not been included in this chart:

Professional (position)*	Hourly Rate	Hours Worked	Total Lodestar
Laurence M. Rosen (P)	\$750	333.1	\$249,825
Phillip Kim (A)	\$475	257.8	\$122,446
Timothy Brown (A)	\$425	438.6	\$186,405
Deena Darwish (LS)	\$190	12.7	\$2,413
Erica Stone (PL)	\$175	17.4	\$3,045
Nathan Huddell (PL)	\$175	<u>72.1</u>	<u>\$12,618</u>
TOTALS:		1,131.7	\$576,751

* Partner (P), Associate (A), Of Counsel (OC), Paralegal (PL). Law Student (LS)

6. From the inception of this Action through March 28, 2011, my firm performed a total of 1,131.7 professional work hours in the prosecution of this Action. The total lodestar amount for my firm is \$576,751.

7. The Rosen Law Firm expended a total of \$38,590.64 in un-reimbursed expenses in connection with the prosecution of this Action broken down as follows:

LIST OF UNREIMBURSED EXPENSES

<u>Category</u>	<u>Amount</u>
Online Legal and News Research, & Document Retrieval	\$3,899.23
Private Investigators in PRC	\$10,347.50
Document Translation Fees	\$3,983.11
Mediation Fees	\$7,878.03
Financial Damages Consultant	\$7,475.00
Filing Fees and Service of Process for complaint and Subpoenas	\$1,055.00
Travel/ Transportation	\$192.01
Photocopying / Scanning / E-Discovery database fees	\$2,086.92
FedEx, Postage and messenger	\$132.00
Press Releases to Class Members	\$1,445.00
Conference Calling Service and E-Fax Service	<u>\$96.84</u>
Total for Rosen Law Firm	\$38,590.64

8. The expenses set forth above are reflected in the firm's books and records. These books and records are prepared from expense vouchers, check records, and financial statements prepared in the normal course of business for my firm and are an accurate record of the expenses incurred in the prosecution of this Action.

I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct. Executed this 28th day of March at New York, NY.

DATED: March 28, 2011



Laurence Rosen

EXHIBIT 4

NAME OF SHAREHOLDER	DATE PURCHASED	NUMBER OF SHARES PURCHASED	PRICE PAID PER SHARE	COST	DATE SOLD	NUMBER OF SHARES SOLD	PRICE SOLD PER SHARE	PROCEEDS	PLAN OF ALLOCATION DETERMINATION	Financial Gain (Loss)
Gautam & Aratidevi Sathe	12/26/2006	2,000	\$ 15.20	\$ 30,400.00	12/26/2006	4,000	\$ 15.30	\$ 61,200.00	NO LOSS (7. b. 1.)	
	12/26/2006	2,000	\$ 14.99	\$ 29,980.00	12/26/2006	4,300	\$ 15.30	\$ 65,790.00	NO LOSS (7. b. 1.)	
	12/26/2006	2,000	\$ 15.25	\$ 30,500.00	12/26/2006	2,000	\$ 15.15	\$ 30,300.00	NO LOSS (7. b. 1.)	
	12/26/2006	2,000	\$ 15.05	\$ 30,100.00	12/26/2006	4,000	\$ 15.15	\$ 60,600.00	NO LOSS (7. b. 1.)	
	12/26/2006	100	\$ 14.84	\$ 1,484.00	12/26/2006	2,850	\$ 15.28	\$ 43,548.00	NO LOSS (7. b. 1.)	
	12/26/2006	200	\$ 14.85	\$ 2,970.00	12/26/2006	1,150	\$ 15.20	\$ 17,480.00	NO LOSS (7. b. 1.)	
	12/26/2006	2,000	\$ 15.00	\$ 30,000.00	12/26/2006	2,300	\$ 15.23	\$ 35,029.00	NO LOSS (7. b. 1.)	
	12/26/2006	4,000	\$ 15.05	\$ 60,200.00	12/26/2006	4,000	\$ 15.60	\$ 62,400.00	NO LOSS (7. b. 1.)	
	12/26/2006	4,000	\$ 15.10	\$ 60,400.00	12/26/2006	6,500	\$ 15.11	\$ 98,215.00	NO LOSS (7. b. 1.)	
	12/26/2006	2,300	\$ 15.07	\$ 34,661.00	12/28/2006	6,500	\$ 15.00	\$ 97,500.00	NO LOSS (7. b. 1.)	
	12/26/2006	4,000	\$ 15.50	\$ 62,000.00	12/29/2006	900	\$ 17.07	\$ 15,363.00	NO LOSS (7. b. 1.)	
	12/26/2006	4,000	\$ 15.08	\$ 60,320.00	12/29/2006	2,100	\$ 17.05	\$ 35,805.00	NO LOSS (7. b. 1.)	
	12/26/2006	1,731	\$ 14.90	\$ 25,791.90	12/29/2006	6,000	\$ 17.15	\$ 102,900.00	NO LOSS (7. b. 1.)	
	12/26/2006	178	\$ 14.89	\$ 2,650.42	12/29/2006	1,159	\$ 17.60	\$ 20,398.40	NO LOSS (7. b. 1.)	
	12/26/2006	22	\$ 14.88	\$ 327.36	12/29/2006	1,694	\$ 17.00	\$ 28,798.00	NO LOSS (7. b. 1.)	
	12/26/2006	69	\$ 14.90	\$ 1,028.10	12/29/2006	3,199	\$ 16.80	\$ 53,743.20	NO LOSS (7. b. 1.)	
	12/26/2006	500	\$ 14.95	\$ 7,475.00	12/29/2006	300	\$ 16.79	\$ 5,037.00	NO LOSS (7. b. 1.)	
	12/26/2006	100	\$ 15.07	\$ 1,507.00	12/29/2006	1,022	\$ 16.78	\$ 17,149.16	NO LOSS (7. b. 1.)	
	12/26/2006	100	\$ 15.06	\$ 1,506.00	12/29/2006	93	\$ 16.80	\$ 1,562.40	NO LOSS (7. b. 1.)	
	12/26/2006	3,800	\$ 15.08	\$ 57,304.00	12/29/2006	331	\$ 16.76	\$ 5,547.56	NO LOSS (7. b. 1.)	
	12/26/2006	2,500	\$ 15.00	\$ 37,500.00	12/29/2006	2,669	\$ 16.73	\$ 44,652.37	NO LOSS (7. b. 1.)	
	12/29/2006	200	\$ 16.80	\$ 3,359.00	1/3/2007	1,500	\$ 16.45	\$ 24,675.00	NO LOSS (7. b. 1.)	
	12/29/2006	250	\$ 16.76	\$ 4,190.00	5/23/2007	2,000	\$ 6.81	\$ 13,620.00	NO LOSS (7. b. 1.)	
	12/29/2006	200	\$ 16.82	\$ 3,363.00	6/19/2007	4,640	\$ 7.33	\$ 34,011.20	NO LOSS (7. b. 1.)	
	12/29/2006	700	\$ 16.95	\$ 11,865.00					NO LOSS (7. b. 1.)	
	12/29/2006	400	\$ 16.81	\$ 6,724.00					NO LOSS (7. b. 1.)	
	12/29/2006	200	\$ 16.82	\$ 3,364.00					NO LOSS (7. b. 1.)	
	12/29/2006	200	\$ 16.84	\$ 3,368.00					NO LOSS (7. b. 1.)	
	12/29/2006	100	\$ 16.86	\$ 1,686.00					NO LOSS (7. b. 1.)	
	12/29/2006	200	\$ 16.85	\$ 3,370.00					NO LOSS (7. b. 1.)	
	12/29/2006	550	\$ 16.93	\$ 9,311.50					NO LOSS (7. b. 1.)	
	12/29/2006	3,000	\$ 17.05	\$ 51,150.00					NO LOSS (7. b. 1.)	
	12/29/2006	3,000	\$ 16.90	\$ 50,700.00					NO LOSS (7. b. 1.)	
	12/29/2006	3,000	\$ 17.25	\$ 51,750.00					NO LOSS (7. b. 1.)	
	12/29/2006	737	\$ 17.20	\$ 12,676.40					NO LOSS (7. b. 1.)	
	12/29/2006	730	\$ 16.85	\$ 12,300.50					NO LOSS (7. b. 1.)	
	12/29/2006	2,700	\$ 16.75	\$ 45,225.00					NO LOSS (7. b. 1.)	
	12/29/2006	100	\$ 16.74	\$ 1,674.00					NO LOSS (7. b. 1.)	
	12/29/2006	200	\$ 16.70	\$ 3,340.00					NO LOSS (7. b. 1.)	
	12/29/2006	3,000	\$ 16.65	\$ 49,950.00					NO LOSS (7. b. 1.)	
	1/3/2007	2,700	\$ 16.50	\$ 44,550.00					NO LOSS (7. b. 1.)	
	1/3/2007	300	\$ 16.49	\$ 4,947.00					NO LOSS (7. b. 1.)	
	1/3/2007	100	\$ 16.31	\$ 1,631.00					NO LOSS (7. b. 1.)	
	1/3/2007	600	\$ 16.33	\$ 9,798.00					NO LOSS (7. b. 1.)	
	1/3/2007	400	\$ 16.36	\$ 6,544.00					NO LOSS (7. b. 1.)	
	1/3/2007	400	\$ 16.37	\$ 6,548.00					NO LOSS (7. b. 1.)	
	1/3/2007	1,500	\$ 16.38	\$ 24,570.00					NO LOSS (7. b. 1.)	
	1/3/2007	1,500	\$ 16.32	\$ 24,480.00					NO LOSS (7. b. 1.)	
	1/3/2007	640	\$ 15.73	\$ 10,067.14					NO LOSS (7. b. 1.)	
		65,207		\$ 1,030,606.32		65,207		\$ 975,324.29		(55,282.03)
	5/11/2007	6,640	\$ 7.15	\$ 47,476.00	7/5/2007	641	\$ 7.91	\$ 5,070.31	GAIN (7. b. 5.)	
	6/20/2007	5,060	\$ 7.95	\$ 40,227.00	7/5/2007	4,000	\$ 8.15	\$ 32,600.00	GAIN (7. b. 5.)	
	6/20/2007	5,060	\$ 7.84	\$ 39,670.40	7/5/2007	4,419	\$ 8.10	\$ 35,793.90	GAIN (7. b. 5.)	
					7/5/2007	5,060	\$ 8.00	\$ 40,480.00	GAIN (7. b. 5.)	
					7/6/2007	2,640	\$ 8.05	\$ 21,252.00	GAIN (7. b. 5.)	
		16,760		\$ 127,373.40		16,760		\$ 135,196.21		7,822.81
	7/5/2007	1,000	\$ 8.10	\$ 8,097.00	7/6/2007	2,420	\$ 8.05	\$ 19,481.00	NO LOSS (7. b. 6.)	
	7/5/2007	3,000	\$ 8.11	\$ 24,330.00	7/9/2007	4,000	\$ 8.39	\$ 33,568.00	NO LOSS (7. b. 6.)	
	7/6/2007	5,060	\$ 7.90	\$ 39,974.00	7/9/2007	2,640	\$ 8.38	\$ 22,123.20	NO LOSS (7. b. 6.)	
	7/11/2007	6,640	\$ 8.31	\$ 55,178.40	7/12/2007	6,640	\$ 8.45	\$ 56,108.00	NO LOSS (7. b. 6.)	
	7/13/2007	6,640	\$ 8.32	\$ 55,244.80	7/26/2007	6,640	\$ 8.49	\$ 56,373.60	NO LOSS (7. b. 6.)	
		22,340		\$ 182,824.20		22,340		\$ 187,653.80		4,829.60