

EXHIBIT 3

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

JIHONG WANG, QI LI, LES AKIO OMORI, and
ALAN BECK, individually and on behalf of all others
similarly situated,

Plaintiffs,

v.

CHINA FINANCE ONLINE CO. LIMITED,

Defendant.

Case No.: 1-15-CV-07894-RMB

Document Electronically Filed

Motion Date: February 21, 2017

**DECLARATION OF HON. FAITH S. HOCHBERG (RET.)
IN SUPPORT OF PROPOSED SETTLEMENT**

I, Judge Faith S. Hochberg (Ret.), hereby declare as follows:

1. I submit this Declaration in my capacity as the mediator of the proposed settlement of the above-captioned putative securities class action (the “Action”) against China Finance Online Co. Limited (“CFO”).

2. I have been asked to provide this Declaration to give my views on the mediation process that culminated in the proposed settlement that is being presented to the Court for final approval.

3. I have personal knowledge of the facts stated herein from my role as mediator of the Action, and I am competent to testify to the matters set forth in this Declaration.

4. All of the parties, entities, and individuals who were represented at the mediation session executed a Confidentiality Agreement stating that the mediation process was to be considered settlement negotiations for the purpose of all rules protecting mediation disclosures from later discovery and/or use in evidence. The parties further agreed that the Confidentiality Agreement extends to all present and future civil, judicial, quasi-judicial, arbitral, administrative,

or other proceedings. Nothing in my Declaration divulges any privileged information, and the filing of this Declaration does not constitute a waiver of any such confidentiality.

5. From 1999 until 2015, I served as a District Judge of the United States District Court for the District of New Jersey. I previously had served as the United States Attorney for the District of New Jersey from 1994 to 1999.

6. While serving as a District Judge, I presided over settlements of many different types of complex class actions involving such matters as securities claims, antitrust claims, healthcare plans, commercial casualty and employee-benefit insurance, and consumer-product claims.

7. Since I retired from the bench, I have been a full-time mediator and arbitrator. I have mediated settlements of securities class actions, biotechnology contract disputes, and asbestos claims, among other matters. The cases have often included numerous plaintiffs and plaintiffs' counsel, as well as a multitude of defendants, defense counsel, and insurers.

8. I provide my background as a former District Judge and a mediator as context for the statements in my Declaration and to establish that my perspective on the settlement of this Action is grounded in my significant experience in resolving complex litigation.

9. While the Court will make its own determination as to the proposed settlement's fairness under applicable legal standards, from my viewpoint as mediator, I recommend the proposed settlement as reasonably reflective of the risks and potential rewards of the claims being settled. As described below, the current matter presented complex and substantial legal, factual, and practical issues. The parties were represented during the mediation process by well-prepared and competent counsel, who negotiated zealously and at arm's length for their clients. Thus, I believe that the proposed settlement of this case represents a fair and pragmatic resolution of this Action.

10. The parties initially contacted me in March 2016 about the possibility of mediating the Action. At that time, CFO had moved to dismiss the Action, plaintiffs had filed their opposition brief, and CFO had filed its reply. Thus, each side had the benefit of knowing each other's legal positions and arguments before the mediation.

11. Prior to the mediation, the parties submitted to me confidential opening and reply mediation statements, which they also shared with each other. CFO's submissions provided additional factual materials that were not publicly available and that Plaintiffs' counsel had not previously seen. Plaintiffs' submission provided estimated damages calculated with the assistance of an expert. I also invited the parties to submit supplemental mediator's-eyes-only statements if they wished, which CFO did.

12. Before the mediation session, I had various telephone calls with the parties' counsel to discuss the issues in the case and the logistics for the mediation. I also asked counsel for the parties to submit for my eyes only written responses to legal and factual questions I had concerning the respective positions of the parties.

13. The mediation took an entire day. In attendance were counsel for plaintiffs and CFO, and counsel for CFO's directors' and officers' liability insurers.

14. Even after encountering obstacles to reaching a resolution at the mediation session, plaintiffs' counsel, CFO's counsel, and CFO's insurers' counsel persisted and continued negotiations. At the conclusion of the day-long mediation session, the parties signed a Term Sheet – an agreement in principle – to settle the case for \$3,000,000. The Term Sheet was subject to various conditions, including negotiation of a formal Settlement Agreement, approval by the plaintiffs and by CFO's Board of Directors, and approval by the Court.

15. I did not hear the subject of plaintiffs' attorney fees

discussed at any time during the mediation session, and the Term Sheet does not mention plaintiffs' attorneys' fees.

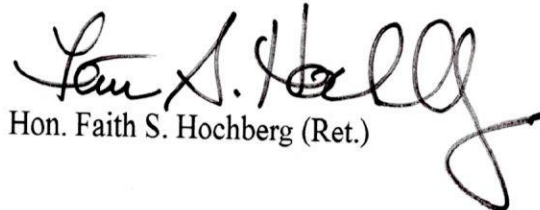
16. The parties' counsel are experienced, capable, zealous, and qualified. They came to the mediation well prepared and knowledgeable about the strengths and weaknesses of their respective positions and on the applicable law, and the proposed settlement is the result of their robust arm's length negotiations.

17. After considering the respective merits of the claims and defenses, the potential maximum damages, the available insurance coverage, and the chance that Plaintiffs would not be awarded anything if CFO's legal or factual arguments were to succeed, I consider the proposed settlement to constitute a positive outcome for the plaintiffs.

18. To recap, in my view – based on my knowledge of this matter, my review of the relevant materials submitted to me, the litigation risks, the benefits obtained, and the arm's-length negotiation and diligent efforts of accomplished counsel – the proposed settlement represents a fair, reasonable, and adequate resolution of all of the claims against CFO. I believe that the settlement provides fair and adequate compensation to the putative class as well as the benefits of avoiding the litigation proceedings and/or appeals that would inevitably occur if not for this settlement. I also believe the proposed settlement flows from the parties' assessment of the litigation risks. I respectfully recommend that the settlement be approved.

I declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge and belief.

Dated: February 16, 2017


Hon. Faith S. Hochberg (Ret.)