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**UNITED STATES DISTRICT COURT  
CENTRAL DISTRICT OF CALIFORNIA  
WESTERN DIVISION**

M & M HART LIVING TRUST, ) Case No. 2:17-cv-01479-PA-MRW  
Individually and on Behalf of All Others )  
Similarly Situated; RANDI )  
WILLIAMS, ) CLASS ACTION  
Plaintiffs, ) **STIPULATION OF SETTLEMENT**  
v. )  
Hon. Percy Anderson  
GLOBAL EAGLE )  
ENTERTAINMENT, INC., DAVID M. )  
DAVIS, and THOMAS E. SEVERSON, )  
JR. )  
Defendants. )

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1 **THIS STIPULATION OF SETTLEMENT**, dated October 4, 2018, is  
2 made and entered into by and among the following Settling Parties to this  
3 Litigation: (i) the Plaintiffs (on behalf of themselves and members of the Settlement  
4 Class), by and through counsel of record in the Litigation; and (ii) the Defendants,  
5 by and through their counsel of record in the Litigation. The Stipulation is intended  
6 by the Settling Parties to fully, finally, and forever resolve, discharge, and settle the  
7 Released Claims, upon and subject to the terms and conditions hereof.

8 **I. THE LITIGATION**

9 On February 23, 2017, a putative class action complaint was filed against  
10 David M. Davis (“Davis”), Thomas E. Severson Jr. (“Severson”) (the “Individual  
11 Defendants”), and Global Eagle, Inc. (“Global Eagle”) (and collectively, with the  
12 Individual Defendants, “Defendants”)<sup>1</sup> for claims under Section 10(b) and Section  
13 20(a) of the Securities Exchange Act of 1934 (the “Exchange Act”). ECF 1.

14 On May 19, 2017, Plaintiff M & M Hart Living Trust moved for appointment  
15 as lead plaintiff pursuant to 15 U.S.C. §78u-4. ECF 22.

16 On May 23, 2017, the Court issued an order to show cause requesting  
17 additional briefing in support of Plaintiff M & M Hart Living Trust’s motion for  
18 lead plaintiff. ECF 23.

19 On May 25, 2017, Defendants filed a motion to dismiss the complaint  
20 pursuant to Rule 12(b)(6). ECF 24.

21 On June 5, 2017, Plaintiff M & M Hart Living Trust opposed Defendants’  
22 motion to dismiss and filed an amended complaint pursuant to Rule 15. ECF 29.

23 On June 8, 2017, the Court denied Defendants’ motion to dismiss as moot.  
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25 <sup>1</sup> Michael Zemetra (“Zemetra”) was also initially named as a defendant. On July  
26 14, 2017, Plaintiff M & M Hart Living Trust voluntarily dismissed Zemetra. ECF  
27 56.

1 ECF 31.

2 On June 19, 2017, Defendants moved to dismiss M & M Hart Living Trust's  
3 amended complaint. ECF 36.

4 On June 26, 2017, the Court appointed Plaintiff M & M Hart Living Trust as  
5 lead plaintiff. ECF 42.

6 On July 3, 2017, prior to receiving a decision from the Court in response to  
7 Defendants' pending motion to dismiss, Plaintiff M & M Hart Living Trust moved  
8 for leave to amend the amended complaint pursuant to Rule 15. ECF 47.

9 On July 10, 2017, Defendants moved to strike Plaintiff M & M Hart Living  
10 Trust's motion for leave to amend. ECF 49.

11 On July 20, 2017, Plaintiff M & M Hart Living Trust moved to lift the  
12 discovery stay in place pursuant to 15 U.S.C. §78u-4 in order to obtain information  
13 from various confidential witnesses. ECF 66.

14 On August 18, 2017, the Court denied Plaintiff M & M Hart Living Trust's  
15 motion to lift the discovery stay. ECF 75.

16 On August 20, 2017, the Court granted Defendants' motion to dismiss  
17 Plaintiff M & M Hart Living Trust's amended complaint with leave to file a further  
18 amended complaint by September 11, 2017. ECF 77.

19 On September 11, 2017, Plaintiffs M & M Hart Living Trust and Randi  
20 Williams filed the second amended complaint. ECF 77.

21 On September 25, 2017, Defendants moved to dismiss the second amended  
22 complaint pursuant to Rule 12(b)(6). ECF 81.

23 On October 30, 2017, the Court granted Defendants' motion to dismiss the  
24 second amended complaint with prejudice and denied Plaintiffs leave to amend.  
25 ECF 88, 89.

1 On November 30, 2017, following Global Eagle’s publication of its annual  
2 report (“2016 Form 10-K”) and definitive proxy statement for fiscal year 2016  
3 (“2016 Proxy Statement”), Plaintiffs filed a motion to alter the Court’s October 30,  
4 2017 order to allow Plaintiffs to file a third amended complaint based on the new  
5 facts and evidence obtained in the 2016 Form 10-K and 2016 Proxy Statement. ECF  
6 90. Plaintiffs attached a proposed third amended complaint to their motion. ECF 90-  
7 2.

8 On January 8, 2018, the Court denied Plaintiffs’ motion to alter the judgment  
9 and file an amended complaint. ECF 99.

10 On January 29, 2018, Plaintiffs appealed the Court’s orders dismissing the  
11 second amended complaint and denying leave to file the third amended complaint.  
12 ECF 100.

13 The parties negotiated a tentative settlement during the briefing process  
14 before the U.S. Court of Appeals for the Ninth Circuit and signed a memorandum  
15 of understanding on August 16, 2018.

16 On August 16, 2018, the parties filed a stipulation to voluntarily dismiss the  
17 appeal for the purpose of allowing the parties to seek approval of the settlement  
18 from the Court.

19 On September 10, 2018, the Ninth Circuit granted the parties’ stipulation and  
20 conditionally dismissed the appeal.

21 **II. CLAIMS OF PLAINTIFFS AND BENEFITS OF SETTLEMENT**

22 Plaintiffs believe that the claims asserted in the action have merit and that the  
23 evidence developed to date supports the claims. However, Plaintiffs and their  
24 counsel recognize and acknowledge the expense and length of continued  
25 proceedings necessary to prosecute the action against Defendants through trial and  
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1 through appeals. Plaintiffs and their counsel also have taken into account the  
2 uncertain outcome and the risk of any litigation, especially in complex actions such  
3 as this action, as well as the difficulties and delays inherent in such litigation.  
4 Plaintiffs and their counsel also are mindful of the inherent problems of proof, and  
5 possible defenses to the securities law violations asserted in the action. Plaintiffs  
6 and their counsel believe that the settlement set forth in the Stipulation confers  
7 substantial benefits upon the Settlement Class. Based on their evaluation, Plaintiffs  
8 and their counsel have determined that the settlement set forth in the Stipulation is  
9 in the best interests of Plaintiffs and the Settlement Class.

10 **III. DEFENDANTS' DENIALS OF WRONGDOING AND LIABILITY**

11 Defendants believe that the claims asserted in the action are completely  
12 without merit. Defendants have denied and continue to deny any and all  
13 wrongdoing whatsoever and maintain that their conduct was at all times proper and  
14 in compliance with applicable provisions of law. Defendants have denied, and  
15 continue to deny each and all of the claims alleged by Plaintiffs in the Litigation  
16 and deny that they have committed any of the wrongful acts or violations of law  
17 that are alleged in the Litigation, including that they made any material  
18 misrepresentations or omissions. Defendants deny all charges of wrongdoing or  
19 liability against them arising out of any of the conduct, statements, acts, or  
20 omissions alleged, or that could have been alleged, in the Litigation. Defendants  
21 also deny, among other things, the allegations that the Plaintiffs or the Settlement  
22 Class have suffered damages and that the Plaintiffs or the Settlement Class were  
23 harmed by the conduct alleged in the Consolidated Complaint or its predecessor  
24 complaints. In addition, Defendants have meritorious defenses to all claims alleged  
25 in the Litigation. Nonetheless, Defendants have agreed to enter into the Settlement  
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1 to avoid the expense, distraction, and time associated with continuing the Litigation.  
2 Defendants have concluded that further conduct of the Litigation would be  
3 protracted and expensive and that it is desirable that the Litigation be fully and  
4 finally settled in the manner and upon the terms and conditions set forth in this  
5 Stipulation. Nothing in this Stipulation shall be construed or deemed to be an  
6 admission or concession on the part of Defendants with respect to any claim or any  
7 fault or liability or wrongdoing or damages whatsoever, or any infirmity in the  
8 defenses that Defendants have asserted or may assert.

9 **IV. TERMS OF STIPULATION AND AGREEMENT OF SETTLEMENT**

10 NOW, THEREFORE, IT IS HEREBY STIPULATED AND AGREED by  
11 and among Plaintiffs, acting on behalf of themselves and all members of the  
12 Settlement Class, and Defendants, by and through their attorneys of record, that,  
13 subject to the approval of the Court pursuant to Federal Rule of Civil Procedure  
14 23(e), the Litigation, the Released Claims, and all matters encompassed within the  
15 scope of the releases set forth or referenced in this Stipulation shall be finally, fully,  
16 and forever compromised, settled, and released, and the Litigation shall be  
17 dismissed with prejudice as to all Released Parties, upon and subject to the terms  
18 and conditions of the Stipulation, as follows:

19 **DEFINITIONS**

20 As used in this Stipulation, the following terms have the meanings specified  
21 below:

22 1.1 “Authorized Claimant” means any member of the Settlement Class  
23 whose claim for recovery has been allowed pursuant to the terms of the  
24 Stipulation.  
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1           1.2   “Claimant” means any member of the Settlement Class who files a  
2           Proof of Claim and Release in such a manner, and within such time, as the Court  
3           shall prescribe.

4           1.3   “Claims” means any and all manner of claims, demands, rights,  
5           actions, potential actions, causes of action, liabilities, duties, damages, losses,  
6           diminutions in value, obligations, agreements, suits, fees, attorneys’ fees, expert  
7           or consulting fees, debts, expenses, costs, sanctions, judgments, decrees, matters,  
8           issues and/or controversies of any kind or nature whatsoever, whether known or  
9           unknown, contingent or absolute, liquidated or not liquidated, accrued or  
10          unaccrued, suspected or unsuspected, disclosed or undisclosed, apparent or not  
11          apparent, foreseen or unforeseen, matured or not matured, which now exist, or  
12          heretofore or previously existed, or may hereafter exist (including, but not  
13          limited to, any claims arising under federal, state or foreign law, common law,  
14          bankruptcy law, statute, rule, or regulation relating to alleged fraud, breach of  
15          any duty, negligence, fraudulent conveyance, avoidance, violations of the  
16          Securities Act of 1933, as amended and rules promulgated thereunder, violations  
17          of the Securities Exchange Act of 1934, as amended and rules promulgated  
18          thereunder, violations of other federal securities laws, or otherwise), whether  
19          individual, class, direct, derivative, representative, on behalf of others, legal,  
20          equitable, regulatory, governmental or of any other type or in any other capacity.

21          1.4   “Claims Administrator” means Strategic Claims Services.

22          1.5   “Class Period” means the period between May 9, 2016 and March  
23          16, 2017, inclusive.

24          1.6   “Complaint” means the initial complaint filed in the Litigation on  
25          February 23, 2017. ECF 1.





1 certiorari to review the Judgment, or (b) the date of final affirmance on appeal of  
2 the Judgment, the expiration of time for any further judicial review, whether, by  
3 appeal, reconsideration, or a petition for writ of certiorari and if, certiorari is  
4 granted, the date of final affirmance of the Judgment following review pursuant  
5 to such grant. For purposes of this paragraph, an “appeal” shall include any  
6 petition for a writ of certiorari or other writ that may be filed in connection with  
7 approval or disapproval of this Settlement, but shall not include any appeal that  
8 concerns only the issue of attorneys’ fees and/or expenses, the Plan of Allocation  
9 of the Settlement Fund, or the procedures for determining Authorized Claimants’  
10 recognized claims; any proceeding or appeal pertaining solely to one or more of  
11 these excluded issues shall not in any way delay or affect the time set forth  
12 above for the Judgment to become Final, or otherwise preclude the Judgment  
13 from becoming Final.

14 1.14 “Final Approval Hearing” means the hearing to determine whether  
15 the proposed Settlement embodied by this Stipulation is fair, reasonable, and  
16 adequate to the Settlement Class, and whether the Court should enter a Judgment  
17 approving the proposed Settlement.

18 1.15 “Judgment” means the Final Judgment and Order of Dismissal  
19 with Prejudice to be rendered by the Court, in the form attached hereto as  
20 **Exhibit B**, or such other substantially similar form agreed to by the Settling  
21 Parties and approved by the Court.

22 1.16 “Lead Counsel” means Levi & Korsinsky, LLP and Bronstein,  
23 Gewirtz & Grossman, LLC.

1 1.17 “Litigation” means this proceeding, *M&M Hart Living Trust et al.*  
2 *v. Global Eagle Entertainment et al.*, No. 17-CV-01479 (C.D. Cal.), on appeal  
3 No. 18-55122 (9th Cir.).

4 1.18 “Net Settlement Fund” means the Settlement Fund less (i) any Fee  
5 and Expense Award; (ii) notice and administration costs; (iii) Taxes and Tax  
6 Expenses; and (iv) other Court-approved deductions that occur before  
7 distribution of the proceeds of the Settlement Fund to the Settlement Class.

8 1.19 “Notice” shall mean the Notice of Proposed Class Action  
9 Settlement, in the form annexed hereto as **Exhibit A-1** to the Preliminary  
10 Approval Order, or such other substantially similar form agreed to by the  
11 Settling Parties and approved by the Court.

12 1.20 “Person” means a natural person, individual, corporation,  
13 partnership, limited partnership, association, joint stock company, joint venture,  
14 limited liability company, professional corporation, estate, legal representative,  
15 trust, unincorporated association, government or any political subdivision or  
16 agency thereof, and any business or legal entity and their spouses, heirs,  
17 predecessors, successors, representatives or assignees.

18 1.21 “Plan of Allocation” means a plan or formula of allocation of the  
19 Settlement Fund whereby the Settlement Fund shall be distributed to Authorized  
20 Claimants after payment of expenses of notice and administration of the  
21 Settlement, Taxes and Tax Expenses, and such attorneys’ fees, costs, expenses,  
22 and interest as may be awarded by the Court. Any Plan of Allocation is not part  
23 of the Stipulation, and Defendants and their Related Persons shall have no  
24 responsibility for the Plan of Allocation or its implementation and no liability  
25 with respect thereto.

1           1.22 “Plaintiffs” means M & M Hart Living Trust, appointed as lead  
2 plaintiff by order of the Court dated May 23, 2017 (ECF 23), and additional  
3 named plaintiff Randi Williams.

4           1.23 “Preliminary Approval Order” means the [Proposed] Order  
5 Granting Preliminary Approval of Settlement and Directing Dissemination of  
6 Notice to Settlement Class, in the form annexed hereto as **Exhibit A**, or such  
7 other substantially similar form agreed to by the Settling Parties, as entered by  
8 the Court.

9           1.24 “Proof of Claim and Release” means a completed Proof of Claim  
10 and Release, substantially in the form of **Exhibit A-2** attached hereto, signed  
11 under penalty of perjury and supported by such documents as are specified in the  
12 Proof of Claim and Release, submitted as required under ¶ 5.3 herein.

13           1.25 “Related Persons” of a Person or entity means any of that Person or  
14 entity’s past, present or future directors, officers, employees, parents, partners,  
15 members, principals, agents, owners, fiduciaries, shareholders, related or  
16 affiliated entities, subsidiaries, divisions, accountants, auditors, attorneys,  
17 associates, consultants, advisors, insurers, co-insurers, reinsurers, trustees,  
18 estates, beneficiaries, administrators, foundations, underwriters, banks or  
19 bankers, personal or legal representatives, divisions, joint ventures, spouses,  
20 domestic partners, family members, heirs, estates, executors, devisees, legatees  
21 or any other person or entity acting or purporting to act for or on behalf of that  
22 Person or entity, and each of their respective predecessors, successors and  
23 assigns, and any trusts for which any of them are trustees, settlors, or  
24 beneficiaries.  
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1           1.26 “Released Claims” means any and all Claims, including Unknown  
2 Claims, that have been, could have been, or in the future can or might be  
3 asserted in any federal, state or foreign court, tribunal, forum or proceeding by  
4 on or behalf of any of the Releasing Parties against any one or more of the  
5 Released Parties, whether any such Released Parties were named, served with  
6 process, or appeared in the Action, which directly or indirectly arise out of or  
7 relate to (i) the Action and (ii) any claims in connection with, based upon,  
8 arising out of, or relating to the Settlement (but excluding any claims to enforce  
9 the terms of the Settlement).

10           1.27 “Released Parties” means (A) Global Eagle, its past, present and  
11 future, direct or indirect, parent entities, associates, affiliates (including PAR  
12 Investment Partners, L.P. and ABRY Partners and their affiliates and managed  
13 investment funds), and subsidiaries, each and all of their respective past, present,  
14 and future directors, officers, partners, stockholders, predecessors, successors  
15 and employees, and in their capacity as such, each and all of their underwriters,  
16 advisors, attorneys, auditors, consultants, trustees, insurers, co-insurers,  
17 reinsurers, representatives, and assigns; (B) the Individual Defendants and their  
18 respective present, past and future spouses, parents, siblings, children,  
19 grandparents, and grandchildren, the present, past and future spouses of their  
20 respective parents, siblings and children, and the present, past and future parents  
21 and siblings of their respective spouses, including step and adoptive  
22 relationships; (C) any and all persons, firms, trusts, corporations, and other  
23 entities in which any of the Defendants or any past, present, and future directors  
24 or officers of Global Eagle has a financial interest or was a sponsor, founder,  
25 settler or creator of the entity, and, in their capacity as such, any and all officers,  
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1 directors, employees, trustees, beneficiaries, settlers, creators, attorneys,  
2 consultants, agents, or representatives of any such person, firm, trust,  
3 corporation or other entity; and (D) in their capacity as such, the legal  
4 representatives, heirs, executors, administrators, predecessors, successors,  
5 predecessors-in-interest, successors-in-interest, and assigns of any of the  
6 foregoing.

7 1.28 “Releasing Parties” means the Plaintiffs, each and every member of  
8 the Settlement Class and each of their respective Related Persons.

9 1.29 “Settlement” means the settlement between Plaintiffs, on behalf of  
10 themselves and the members of the Settlement Class, and the Defendants on the  
11 terms set forth in this Stipulation.

12 1.30 “Settlement Amount” means One Million One Hundred Thousand  
13 Dollars (\$1,100,000).

14 1.31 “Settlement Class” means, for purposes of this Settlement, and to  
15 be certified pursuant to Fed. R. Civ. P. 23, for purposes of effectuating this  
16 Settlement only: all persons or entities, including, without limitation, their  
17 beneficiaries, that purchased or otherwise acquired Global Eagle common stock  
18 during the Class Period, excluding (i) Global Eagle and any of its affiliates  
19 during the Class Period (including PAR Investment Partners, L.P. and ABRY  
20 Partners and their affiliates and managed investment funds); (ii) the Individual  
21 Defendants and any entity in which any Individual Defendant has a controlling  
22 interest; (iii) any officers or directors of Global Eagle during or after the Class  
23 Period; (iv) any Persons who or which exclude themselves by submitting a  
24 request for exclusion that is accepted by the Court; and (v) any members of the  
25 immediate families of and the legal representatives, agents, affiliates, heirs,  
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1 beneficiaries, successors-in-interest, or assigns of any such excluded party in  
2 their capacity as such. The Class shall be certified for purposes of this  
3 Settlement only. Also excluded from the Settlement Class are those Persons who  
4 timely and validly request exclusion from the Settlement Class pursuant to the  
5 Notice of Proposed Class Action Settlement.

6 1.32 “Settlement Fund” means the principal amount of One Million One  
7 Hundred Thousand Dollars (\$1,100,000), plus any accrued interest earned  
8 thereon.

9 1.33 “Settling Parties” means, collectively, Defendants and Plaintiffs on  
10 behalf of themselves and the members of the Settlement Class.

11 1.34 “Stipulation” means this Stipulation of Settlement, including the  
12 recitals and Exhibits hereto, each of which is incorporated by reference as  
13 though set forth in the Stipulation itself.

14 1.35 “Summary Notice” means the summary notice describing the  
15 Settlement of the Litigation and the hearing on the Settlement, in the form  
16 annexed hereto as **Exhibit A-3** to the Preliminary Approval Order, or such other  
17 substantially similar form agreed to by the Settling Parties and approved by the  
18 Court.

19 1.36 “Supplemental Agreement” means the confidential agreement  
20 executed between Lead Counsel and Defendants’ counsel allowing for the  
21 termination of this Settlement under certain circumstances.

22 1.37 “Taxes” means all taxes (including any estimated taxes, interest or  
23 penalties) arising with respect to the income earned by the Settlement Fund.

24 1.38 “Tax Expenses” means any tax-related expenses and costs incurred  
25 in connection with the calculation and payment of taxes or the preparation of tax  
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1 returns and related documents including, without limitation, expenses of tax  
2 attorneys and/or accountants and mailing and distribution costs and expenses  
3 relating to filing (or failing to file) the returns described in ¶ 2.9.

4 1.39 “Unknown Claims” shall mean all Claims of every nature and  
5 description which any Settlement Class member does not know or suspect to  
6 exist in his, her or its favor at the time of the release of the Released Parties  
7 which, if known by him, her or it, might have affected his, her or its settlement  
8 with and release of the Released Parties, or might have affected his, her or its  
9 decision not to opt-out or object to this Settlement. With respect to any and all  
10 Released Claims, the Parties stipulate and agree that, upon the Effective Date  
11 (defined below), the Plaintiffs shall expressly waive, and each of the Settlement  
12 Class members shall be deemed to have waived, and by operation of the Final  
13 Judgment shall have waived, the provisions, rights and benefits of California  
14 Civil Code § 1542, which provides:

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

18 The Plaintiffs shall expressly waive and each of the Settlement Class members shall  
19 be deemed to have, and by operation of the Final Judgment shall have, expressly  
20 waived any and all provisions, rights and benefits conferred by any law of any state,  
21 territory, foreign country or principle of common law, which is similar, comparable  
22 or equivalent to California Civil Code § 1542. The Plaintiffs and/or one or more  
23 Settlement Class members may hereafter discover facts in addition to or different  
24 from those which he, she or it now knows or believes to be true with respect to the  
25 subject matter of the Released Claims, but the Plaintiffs shall expressly fully, finally  
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1 and forever settle and release, and each Settlement Class member, upon the  
2 Effective Date, shall be deemed to have, and by operation of the Final Judgment  
3 shall have, fully, finally and forever settled and released, any and all Released  
4 Claims, known or unknown, suspected or unsuspected, contingent or non-  
5 contingent, whether or not concealed or hidden, which now exist, or heretofore have  
6 existed, upon any theory of law or equity now existing or coming into existence in  
7 the future, including, but not limited to, conduct which is negligent, intentional,  
8 with or without malice, or a breach of fiduciary duty, law or rule, without regard to  
9 the subsequent discovery or existence of such different or additional facts. The  
10 Plaintiffs acknowledge, and the Settlement Class members shall be deemed by  
11 operation of the Final Judgment to have acknowledged, that the foregoing waiver  
12 was separately bargained for and a key element of the Settlement of which this  
13 release is a part.

14 **THE SETTLEMENT**

15 ***The Settlement Fund***

16 2.1 In consideration of the terms of this Stipulation, Defendants or their  
17 designee shall, within thirty (30) days of the entry of the Preliminary Approval  
18 Order granting preliminary approval of the Settlement or within thirty (30) days  
19 of provision of wire instructions and a W-9 by Lead Counsel (whichever date is  
20 later), deposit the sum of \$1,100,000 (One Million One Hundred Thousand  
21 Dollars) into the Escrow Account.

22 2.2 The payment described in ¶ 2.1 is the only payment to be made by  
23 or on behalf of Defendants in connection with this Settlement. All fees, costs,  
24 and expenses incurred by or on behalf of the Plaintiffs and the Settlement Class  
25 associated with this Settlement, including, but not limited to, Taxes, Tax  
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1 Expenses, any administrative costs and costs of providing notice of the  
2 Settlement to members of the Settlement Class, and any award of attorneys' fees  
3 and expenses of Lead Counsel shall be paid from the Settlement Fund, and in no  
4 event shall Defendants or their Related Persons bear any additional  
5 responsibility or liability for any such fees, costs, or expenses.

6 2.3 This is not a claims-made settlement. Upon the occurrence of the  
7 Effective Date, neither Defendants nor any person or entity that paid any portion  
8 of the Settlement Fund on their behalf shall have any right of the return of the  
9 Settlement Fund or any portion thereof irrespective of the collective amount of  
10 losses of Authorized Claimants, the percentage of recovery of losses, or the  
11 amounts to be paid to Authorized Claimants from the Net Settlement Fund. In no  
12 instance shall any of the Defendants or their Related Persons be required to pay  
13 any amount in excess of the Settlement Amount.

14 ***The Escrow Agent***

15 2.4 The Escrow Agent shall invest the Settlement Amount(s) deposited  
16 pursuant to ¶ 2.1 hereof in short term United States agency or other Treasury  
17 securities or other instruments backed by the full faith and credit of the United  
18 States Government or fully insured by the United States Government or an  
19 agency thereof and shall reinvest the proceeds of these instruments as they  
20 mature in similar instruments at their then-current market rates. All risks related  
21 to the investment of the Settlement Fund shall be borne by the Escrow Agent,  
22 and the Defendants or their Related Persons shall have no responsibility for,  
23 interest in, or liability whatsoever with respect to investment decisions or the  
24 actions of the Escrow Agent.

1           2.5    The Escrow Agent shall not disburse the Settlement Fund except as  
2 provided in the Stipulation or by an order of the Court.

3           2.6    Subject to further order and/or directions as may be made by the  
4 Court, or as provided in the Stipulation, the Escrow Agent is authorized to  
5 execute such transactions as are consistent with the terms of the Stipulation.

6           2.7    All funds held by the Escrow Agent shall be deemed and  
7 considered to be in *custodia legis* of the Court, and shall remain subject to the  
8 jurisdiction of the Court, until such time as such funds shall be distributed or  
9 returned pursuant to this Stipulation and/or further order(s) of the Court.

10          2.8    Without further order of the Court, the Settlement Fund may be  
11 used by Lead Counsel to pay required taxes and tax expenses and to pay  
12 administrative costs in connection with the Settlement up to \$100,000 (one  
13 hundred thousand dollars). If the Effective Date does not occur, the Settlement  
14 Fund will be returned to Defendants, less the costs or expenses incurred in  
15 connection with providing notice to the Settlement Class and administering the  
16 Settlement. In no event shall Defendants or their Related Persons have any  
17 responsibility or liability for the administration of the Settlement Fund.

18           ***Taxes***

19          2.9    (a) The Settling Parties and the Escrow Agent agree to treat the  
20 Settlement Fund as being at all times a “qualified settlement fund” within the  
21 meaning of Treas. Reg. § 1.468B-1. In addition, the Escrow Agent shall timely  
22 make such elections as necessary or advisable to carry out the provisions of this  
23 ¶ 2.9, including the “relation-back election” (as defined in Treas. Reg. § 1.468B-  
24 1) back to the earliest permitted date. Such elections shall be made in  
25 compliance with the procedures and requirements contained in such regulations.  
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1 It shall be the responsibility of the Escrow Agent to timely and properly prepare  
2 and deliver the necessary documentation for signature by all necessary parties,  
3 and thereafter to cause the appropriate filing to occur.

4 (b) For the purpose of § 1.468B of the Internal Revenue Code of  
5 1986, as amended, and the regulations promulgated thereunder, the “administrator”  
6 shall be the Escrow Agent. The Escrow Agent shall timely and properly file all  
7 informational and other tax returns necessary or advisable with respect to the  
8 Settlement Fund (including, without limitation, the returns described in Treas. Reg.  
9 § 1.468B-2(k)). Such returns (as well as the election described in ¶ 2.9(a) hereof)  
10 shall be consistent with this ¶ 2.9 and in all events shall reflect that all Taxes  
11 (including any estimated Taxes, interest or penalties) on the income earned by the  
12 Settlement Fund shall be paid out of the Settlement Fund as provided in ¶ 2.9(c)  
13 hereof.

14 (c) All Taxes and Tax Expenses shall be paid out of the Settlement  
15 Fund; in no event shall the Defendants or their Related Persons, their counsel, or  
16 their insurers have any responsibility for, or liability whatsoever with respect to, the  
17 Taxes or the Tax Expenses. The Escrow Agent, through the Settlement Fund, shall  
18 indemnify and hold each of the Defendants or their Related Persons harmless for  
19 any Taxes and Tax Expenses (including, without limitation, Taxes payable by  
20 reason of any such indemnification). Further, Taxes and Tax Expenses shall be  
21 treated as, and considered to be, a cost of administration of the Settlement Fund and  
22 shall be timely paid by the Escrow Agent out of the Settlement Fund without prior  
23 order from the Court and the Escrow Agent shall be authorized (notwithstanding  
24 anything herein to the contrary) to withhold from distribution to Authorized  
25 Claimants any funds necessary to pay such amounts, including the establishment of  
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1 adequate reserves for any Taxes and Tax Expenses (as well as any amounts that  
2 may be required to be withheld under Treas. Reg. § 1.468B-2(1)(2)); neither the  
3 Defendants or their Related Persons, their counsel, nor their insurers are  
4 responsible, nor shall they have any liability, with respect to any Taxes or Tax  
5 Expenses. The Settling Parties agree to cooperate with the Escrow Agent, each  
6 other, and their tax attorneys and accountants to the extent reasonably necessary to  
7 carry out the provisions of this paragraph.

8 ***Termination of the Settlement***

9 2.10 In the event that the Stipulation is not approved, or is terminated,  
10 canceled, or fails to become effective for any reason (*see infra* ¶¶ 7.1-7.6), the  
11 Settlement Amount, including accrued interest, less any expenses and taxes paid,  
12 incurred or due and owing in connection with notice and administration of the  
13 Settlement shall be refunded to such Persons that paid the Settlement Amount(s)  
14 pursuant to written instructions from Defendants' counsel to the Escrow Agent  
15 in accordance with ¶ 7.4 herein.

16 2.11 Promptly after execution of the Stipulation and no later than  
17 September 28, 2018, Lead Counsel shall submit the Stipulation together with its  
18 Exhibits to the Court, and Lead Counsel shall apply for entry of the Preliminary  
19 Approval Order, substantially in the form of **Exhibit A** attached hereto,  
20 requesting, among other things, the preliminary approval of the Settlement set  
21 forth in the Stipulation; approval for mailing the Notice, in the form of **Exhibit**  
22 **A-1** attached hereto, or such other substantially similar form agreed to by the  
23 Settling Parties and approved by the Court; and publication of the Summary  
24 Notice, in the form of **Exhibit A-3** attached hereto, or such other substantially  
25 similar form agreed to by the Settling Parties and approved by the Court.

1           2.12 Lead Counsel shall request that, after notice is given, the Court hold  
2 a Final Approval Hearing to consider and determine whether to approve the  
3 Settlement pursuant to the terms of this Stipulation as fair, reasonable, and  
4 adequate, and whether the Judgment, substantially in the form of **Exhibit B**  
5 attached hereto, should be entered approving the Settlement as set forth herein  
6 and dismissing the Litigation with prejudice. At or after the Final Approval  
7 Hearing, Lead Counsel also will request that the Court approve the proposed  
8 Plan of Allocation and the Fee and Expense Application.

9           **CERTIFICATION OF THE SETTLEMENT CLASS**

10          3.1 Solely for purposes of this Settlement, and subject to approval by  
11 the Court, the Settling Parties agree that the Settlement Class shall be certified  
12 and Plaintiffs and Lead Counsel shall be appointed as representatives of the  
13 Settlement Class pursuant to Federal Rule of Civil Procedure 23, as set forth in  
14 the Preliminary Approval Order. For settlement purposes only, and for no other  
15 purpose than as set forth in and to effectuate this Stipulation, Defendants will not  
16 object to such certification on the terms set forth in this Stipulation. If the  
17 Settlement Class is not certified, the Litigation will, for all purposes with respect  
18 to the Settling Parties, revert to its status as of the day immediately preceding the  
19 execution of the Stipulation. In such event, (i) Defendants will not be deemed to  
20 have consented to the certification of any class, (ii) the Stipulation concerning  
21 the class definition or class certification shall not be used as evidence or in an  
22 argument in support of class definition or class certification, and (iii) Defendants  
23 will retain all rights to oppose class certification.

24           **RELEASES**

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1 4.1 The satisfaction of the obligations incurred pursuant to this  
2 Stipulation shall be in full and final disposition of the Litigation and any and all  
3 Released Claims.

4 4.2 Upon the Effective Date, the Releasing Parties, on behalf of  
5 themselves, their successors and assigns, and any other Person claiming (now or  
6 in the future) through or on behalf of them, regardless of whether any such  
7 Releasing Party ever seeks or obtains by any means, including without limitation  
8 by submitting a Proof of Claim, any disbursement from the Settlement Fund,  
9 shall be deemed to have, and by operation of the Final Judgment shall have,  
10 fully, finally, and forever released, relinquished, and discharged all Released  
11 Claims against the Released Parties and shall have covenanted not to sue the  
12 Released Parties with respect to all such Released Claims, and shall be  
13 permanently barred and enjoined from asserting, commencing, prosecuting,  
14 instituting, assisting, instigating, or in any way participating in the  
15 commencement or prosecution of any action or other proceeding, in any forum,  
16 asserting any Released Claim, either directly, representatively, derivatively, or in  
17 any other capacity, against any of the Released Parties. Nothing contained herein  
18 shall, however, bar the Releasing Parties from bringing any action or claim to  
19 enforce the terms of this Stipulation or the Final Judgment.

20 4.3 Upon the Effective Date, Defendants shall be deemed to have, and  
21 by operation of the Judgment shall have, fully, finally, and forever released,  
22 relinquished, and discharged all Claims (including Unknown Claims) by  
23 Defendants against Plaintiffs and Plaintiffs' counsel which arise out of, concern  
24 or relate to the institution, prosecution, settlement or dismissal of the Action.  
25 This release, however, shall not bar Defendants or any Released Party from  
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1 bringing any action or claim to enforce the terms of the Settlement or Final  
2 Judgment.

3 4.4 Nothing in this Stipulation constitutes or reflects a waiver or release  
4 of any rights or claims of Defendants with respect to their insurers and/or the  
5 insurers' Related Persons, including, but not limited to, any rights or claims  
6 under any directors' and officers' liability insurance or other applicable  
7 insurance coverage maintained by Global Eagle.

8 **ADMINISTRATION AND CALCULATION OF CLAIMS AND**  
9 **SUPERVISION AND DISTRIBUTION OF SETTLEMENT FUND**

10 5.1 The Claims Administrator, subject to such supervision and direction  
11 of Lead Counsel and the Court as may be necessary or as circumstances may  
12 require, shall administer and calculate the claims submitted by members of the  
13 Settlement Class and shall oversee distribution of the Net Settlement Fund to  
14 Authorized Claimants.

15 5.2 The Settlement Fund shall be applied as follows:

- 16 (a) to pay the fees and expenses reasonably and actually incurred in  
17 connection with providing notice, including:
- 18 i. Printing and mailing of the Notice and Proof of Claim and  
19 Release to the Settlement Class;
  - 20 ii. Publication of the Summary Notice;
  - 21 iii. The Claims Administrator's costs and fees for services  
22 performed in connection with the administration of the  
23 Settlement contemplated by this Stipulation;
  - 24 iv. Costs to reimburse brokers or nominees in connection  
25 with dissemination of the Notice to the Class;
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1 v. Fees and expenses reasonably and actually incurred in  
2 locating members of the Settlement Class;

3 (b) to pay the fees and expenses reasonably and actually incurred in  
4 connection with assisting with the filing of claims, administering and  
5 distributing the Net Settlement Fund to Authorized Claimants, and  
6 processing Proofs of Claim and Releases;

7 (c) to pay escrow fees and costs, if any;

8 (d) to pay Taxes and Tax Expenses;

9 (e) after the Judgment is Final, to pay the Fee and Expense Award;  
10 and

11 (f) after the Effective Date, to distribute the balance of the Net  
12 Settlement Fund to Authorized Claimants as allowed by the Stipulation  
13 and Plan of Allocation, as approved by the Court.

14 5.3 After the Effective Date, and in accordance with the terms of the  
15 Stipulation, the Plan of Allocation, or such further approval and further order(s)  
16 of the Court as may be necessary or as circumstances may require, the Net  
17 Settlement Fund shall be distributed to Authorized Claimants, subject to and in  
18 accordance with the following: Within one hundred ten (110) days of the date of  
19 the Preliminary Approval Order or such other time as may be set by the Court,  
20 each Person claiming to be an Authorized Claimant shall be required to submit  
21 to the Claims Administrator a completed Proof of Claim and Release,  
22 substantially in the form of **Exhibit A-2** attached hereto, signed under penalty of  
23 perjury and supported by such documents as are specified in the Proof of Claim  
24 and Release. All Proofs of Claim and Releases must be submitted by the date  
25 specified in the Notice, unless such period is extended by the Court.  
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1           5.4 Except as otherwise ordered by the Court, all members of the  
2 Settlement Class who fail to timely submit a Proof of Claim and Release within  
3 such period, or such other period as may be ordered by the Court, or otherwise  
4 allowed, shall be forever barred from receiving any payments pursuant to the  
5 Settlement, but will in all other respects be subject to and bound by the  
6 provisions of the Stipulation, the releases contained herein, and the Judgment.  
7 Notwithstanding the foregoing, Lead Counsel shall have the discretion to accept  
8 late-submitted claims so long as distribution of the Net Settlement Fund is not  
9 materially delayed thereby.

10           5.5 The Net Settlement Fund shall be distributed to Authorized  
11 Claimants substantially in accordance with the Plan of Allocation set forth in the  
12 Notice and approved by the Court. If there is any balance remaining in the Net  
13 Settlement Fund after six (6) months from the date of distribution of the Net  
14 Settlement Fund (whether by reason of tax refunds, uncashed checks or  
15 otherwise), Lead Counsel shall, if feasible, reallocate such balance among  
16 Authorized Claimants in an equitable and economic fashion. Thereafter, any  
17 balance which still remains in the Net Settlement Fund shall be, subject to the  
18 payment of any additional previously unreimbursed fees, costs, and expenses  
19 related to the administration of the Settlement, donated to an appropriate, non-  
20 profit 501(c)(3) charitable organization as determined by Lead Counsel.

21           5.6 Defendants, their counsel, and their insurers shall have no role in,  
22 responsibility for, interest in, or liability with respect to any of the following:  
23 (i) any act, omission, or determination of Lead Counsel, the Escrow Agent, or  
24 the Claims Administrator, or any of their respective designees or agents, in  
25 connection with administering the Settlement; (ii) the management, investment,  
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1 or distribution of the Settlement Fund; (iii) the Plan of Allocation; (iv) the  
2 review, determination, administration, calculation, or payment of any claims  
3 asserted against the Settlement Fund; (v) any losses suffered by, or fluctuations  
4 in the value of, the Settlement Fund; or (vi) the payment or withholding of any  
5 Taxes, Tax Expenses, and/or costs incurred in connection with the taxation of  
6 the Settlement Fund or filing of any returns. No Person shall have any claim of  
7 any kind against the Released Parties with respect to the administration,  
8 investment, distribution, and/or supervision of the Settlement Fund, and  
9 Plaintiffs, the members of the Settlement Class, and Lead Counsel release  
10 Defendants their counsel, and their insurers from any and all liability arising  
11 from or with respect to the administration, investment, distribution, and/or  
12 supervision of the Settlement Fund. Notwithstanding, Defendants shall provide  
13 to Plaintiffs a list of Global Eagle's record stockholders in advance of the notice  
14 deadline set by the Court.

15 5.7 It is understood and agreed by the Settling Parties that any proposed  
16 Plan of Allocation of the Net Settlement Fund including, but not limited to, any  
17 adjustments to an Authorized Claimant's claim set forth therein, is not a part of  
18 this Stipulation and is to be considered by the Court separately from the Court's  
19 consideration of the fairness, reasonableness, and adequacy of the Settlement set  
20 forth in this Stipulation. It is further understood and agreed by the Settling  
21 Parties that any order or proceeding relating to the Plan of Allocation shall not  
22 operate to terminate or cancel this Stipulation or affect or delay the finality of  
23 the Court's Judgment approving this Stipulation and the Settlement set forth  
24 herein (including the releases contained herein), or any other orders entered  
25 pursuant to this Stipulation.

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**LEAD COUNSEL’S ATTORNEYS’ FEES AND EXPENSES**

6.1 Lead Counsel may submit the Fee and Expense Application for an award of attorneys’ fees not to exceed 25% of the Settlement Amount, plus expenses incurred in connection with prosecuting the Litigation, plus any interest on such attorneys’ fees and expenses at the same rate and for the same time periods as earned by the Settlement Fund (until paid), as may be awarded by the Court. Lead Counsel reserves the right to make additional applications for fees and expenses incurred in connection with the preservation of the Settlement Fund and/or the administration of the Settlement. Defendants and their Related Persons shall have no obligation to pay any portion of Lead Counsel’s attorneys’ fees or Litigation Expenses, aside from payment of the Settlement Amount, and take no position with respect to Lead Counsel’s Fee and Expense Application.

6.2 The amount of attorneys’ fees and expenses awarded by the Court is within the sole discretion of the Court. Any attorneys’ fees and expenses awarded by the Court shall be paid from the Settlement Fund to Lead Counsel on the first business day after entry of the Order awarding such attorneys’ fees and expenses and entry of the Judgment, notwithstanding the existence of any timely filed objections thereto or to the Settlement, or potential for appeal therefrom, or collateral attack on the Fee and Expense Application, the Settlement, or any part thereof. Lead Counsel shall allocate any Court awarded attorneys’ fees and expenses.

6.3 In the event that the Effective Date does not occur, or the Judgment or the order making the Fee and Expense Award is reversed or modified, or the Stipulation is canceled or terminated for any other reason, and in the event that the Fee and Expense Award has been paid to any extent, then Lead Counsel shall

1 within five (5) business days from receiving notice from Defendants' counsel or  
2 from a court of appropriate jurisdiction, refund (less the deductions provided in  
3 ¶¶ 2.9 and 2.10) to the Settlement Fund the fees and expenses previously paid to  
4 Lead Counsel from the Settlement Fund, plus interest thereon at the same rate as  
5 earned by the Settlement Fund in an amount consistent with such reversal or  
6 modification. Lead Counsel receiving fees and expenses, agree as a condition of  
7 receiving such fees and expenses, that they are subject to the jurisdiction of the  
8 Court for the purpose of enforcing this paragraph.

9 6.4 The procedure for and the allowance or disallowance by the Court  
10 of any applications by Lead Counsel for attorneys' fees and expenses, to be paid  
11 out of the Settlement Fund, are not part of the Settlement set forth in this  
12 Stipulation, and are to be considered by the Court separately from the Court's  
13 consideration of the fairness, reasonableness, and adequacy of the Settlement set  
14 forth in this Stipulation, and any order or proceeding relating to the Fee and  
15 Expense Application, or any appeal from any order relating thereto or reversal or  
16 modification thereof, shall not operate to terminate or cancel this Stipulation, or  
17 affect or delay the finality of the Judgment approving the Stipulation and the  
18 Settlement of the Litigation set forth herein.

19 6.5 The Defendants and their Related Persons shall have no  
20 responsibility for, or liability with respect to, the payment of any Fee and  
21 Expense Award to Lead Counsel out of the Settlement Fund.

22 6.6 The Defendants and their Related Persons shall have no  
23 responsibility for the allocation of any Fee and Expense Award among Lead  
24 Counsel and/or any other Person who may assert some claim thereto, and the  
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1 Defendants and their Related Persons take no position with respect to such  
2 matters.

3 **CONDITIONS OF SETTLEMENT, EFFECT OF DISAPPROVAL,**  
4 **CANCELLATION OR TERMINATION**

5 7.1 The Effective Date of this Stipulation shall be the date when all of  
6 the following shall have occurred and is conditioned on the occurrence of all of  
7 the following events:

8 (a) Preliminary approval of the Settlement by the District Court;

9 (b) Global Eagle has not exercised its option to terminate the  
10 Settlement pursuant to the provisions of the Stipulation or Supplemental Agreement  
11 Final District Court approval of the Settlement contemplated by the Stipulation and  
12 approving the grant of a release by the Releasing Parties, including the Class, to the  
13 Released Parties of the Released Claims;

14 (c) Entry of final judgment consistent with the Final Order and  
15 without the award of any damages, costs, fees, or the grant of any further relief  
16 except for an award of fees and expenses, substantially in the form of **Exhibit B**  
17 attached hereto, or such other substantially similar form agreed to by the Settling  
18 Parties; and

19 (d) The Final Judgment becoming final, which shall occur one  
20 business day following the later of (i) the Judgment being finally affirmed on appeal  
21 or (ii) the Judgment not being subject to appeal (or further appeal) by lapse of time  
22 or otherwise The Court has entered the Judgment.

23 7.2 Upon the occurrence of all of the events referenced in ¶ 7.1 hereof,  
24 any and all remaining interest or right of Defendants in or to the Settlement  
25 Fund, if any, shall be absolutely and forever extinguished. If all of the conditions  
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1 specified in ¶ 7.1 hereof are not met, then the Stipulation shall be canceled and  
2 terminated subject to ¶ 7.5 hereof unless Lead Counsel and counsel for  
3 Defendants mutually agree in writing to otherwise proceed with the Stipulation.

4 7.3 Defendants shall have the option in their sole discretion to  
5 terminate the Settlement in the event that Persons who purchased more than a  
6 certain amount of shares of Global Eagle common stock during the Class Period  
7 choose to exclude themselves from the Settlement Class, as set forth in a  
8 separate agreement executed between Lead Counsel and Defendants' counsel,  
9 which is incorporated by reference into this Stipulation. The Supplemental  
10 Agreement will be "Confidential" and will not be filed with the Court unless  
11 requested by the Court or unless a dispute among the Settling Parties concerning  
12 its interpretation or application arises and, in that event, the parties shall request  
13 that the Supplemental Agreement be filed and maintained under seal. In the  
14 event of a termination of this Settlement pursuant to the Supplemental  
15 Agreement, this Stipulation shall become null and void and of no further force  
16 and effect.

17 7.4 Unless otherwise ordered by the Court, in the event the Stipulation  
18 shall terminate, or be canceled, or the Effective Date shall not occur for any  
19 reason, then within ten (10) business days after written notification of such event  
20 is sent by counsel for Defendants or Lead Counsel to the Escrow Agent, the  
21 Settlement Fund (including accrued interest), less any expenses and costs  
22 reasonably and actually incurred pursuant to ¶ 2.9 and Taxes and Tax Expenses  
23 that have been paid pursuant to ¶ 2.10 hereof, shall be refunded by Lead Counsel  
24 to the entity or entities that provided the funds, based on their *pro rata*  
25 contribution to the Settlement Fund, as indicated in writing to Lead Counsel and  
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1 the Escrow Agent by Defendants' counsel. The Escrow Agent or its designee  
2 shall apply for any tax refund owed on the Settlement Fund and pay the  
3 proceeds, after deduction of any fees or expenses incurred in connection with  
4 such application(s) for refund, in a similar *pro rata* manner, pursuant to written  
5 instructions from Defendants' counsel.

6 7.5 In the event that the Stipulation is not approved by the Court or the  
7 Settlement set forth in the Stipulation is terminated or fails to become effective  
8 for any reason, the Settling Parties shall be deemed to have reverted to their  
9 respective status and litigation positions in the Litigation as of the date and time  
10 immediately prior to the execution of this Stipulation. In such event, the terms  
11 and provisions of the Stipulation shall have no further force and effect with  
12 respect to the Settling Parties and shall not be used in this Litigation or in any  
13 other proceeding for any purpose, and any judgment or order entered by the  
14 Court in accordance with the terms of the Stipulation shall be treated as vacated,  
15 *nunc pro tunc*. No order of the Court or modification or reversal on appeal of  
16 any order of the Court concerning the Plan of Allocation or the amount of any  
17 Fee and Expense Award shall constitute grounds for cancellation or termination  
18 of the Stipulation.

19 7.6 Notwithstanding any provision herein to the contrary, if the  
20 Effective Date does not occur, or if the Stipulation is terminated pursuant to its  
21 terms, neither the Plaintiffs nor Lead Counsel shall have any obligation to repay  
22 any amounts actually and properly disbursed pursuant to ¶¶ 2.9-2.10 hereof. In  
23 addition, any expenses already incurred and properly chargeable pursuant to  
24 ¶ 2.9 hereof at the time of such termination or cancellation, but which have not  
25 been paid, shall be paid by the Escrow Agent in accordance with the terms of the  
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1 Stipulation prior to the balance being refunded in accordance with ¶¶ 2.11 and  
2 7.4 hereof.

3 **NO ADMISSION OF WRONGDOING**

4 8.1 The Settling Parties intend this Settlement to be a final and  
5 complete resolution of all disputes between them with respect to the Litigation.  
6 The Settlement compromises claims that are contested and shall not be deemed  
7 an admission by any Settling Party as to the merits of any claim or defense. The  
8 Judgment will contain a finding that, during the Course of the Litigation, the  
9 parties and their respective counsel at all times complied with the requirements  
10 of Federal Rule of Civil Procedure 11. The Settling Parties agree that the terms  
11 of the Settlement were negotiated in good faith by the Settling Parties and reflect  
12 a settlement that was reached voluntarily after consultation with competent legal  
13 counsel.

14 8.2 Whether or not the Settlement is approved by the Court, and  
15 whether or not the Settlement is consummated, the fact and terms of this  
16 Stipulation, including its exhibits, all negotiations, discussions, drafts, and  
17 proceedings in connection with this Settlement, and any act performed or  
18 document signed in connection with the Settlement, shall not, in this or any  
19 other court, administrative agency, arbitration forum, or other tribunal, constitute  
20 an admission of, or evidence of, or be deemed to create any inference of: (i) any  
21 acts of wrongdoing or lack thereof; (ii) any liability on the part of any of the  
22 Defendants or the Released Parties to Plaintiffs, the Settlement Class, or anyone  
23 else; (iii) any deficiency of any claim or defense that has been or could have  
24 been asserted in the Litigation; or (iv) any damages, or lack of damages, suffered  
25 by Plaintiffs, the Settlement Class, or anyone else.



1           8.3    The Stipulation and the Settlement contained herein, and any act  
2 performed or document executed pursuant to or in furtherance of the Stipulation  
3 or the Settlement: (i) is not nor may be deemed to be nor may be used as an  
4 admission of, or evidence of, the validity of any Released Claim, or of any  
5 wrongdoing or liability of Defendants; and (ii) is not nor may be deemed to be  
6 nor may be used as an admission of, or evidence of, any fault or omission of any  
7 Defendant in any civil, criminal or administrative proceeding in any court,  
8 administrative agency or other tribunal. Defendants and their Related Persons  
9 may file the Stipulation and/or the Judgment in any action that may be brought  
10 against them in order to support a defense or counterclaim based on principles of  
11 *res judicata*, collateral estoppel, release, good faith settlement, judgment bar or  
12 reduction, or any other theory of, without limitation, claim preclusion or issue  
13 preclusion or similar defense or counterclaim.

14           8.4    The Stipulation and the Settlement contained herein, and any act  
15 performed or document executed pursuant to or in furtherance of the Stipulation  
16 or the Settlement: (i) shall not be construed against any Released Parties,  
17 Plaintiffs, or any other member of the Settlement Class as an admission,  
18 concession, or presumption that the consideration to be given hereunder  
19 represents the amount that could or would have been recovered after trial; and  
20 (ii) shall not be construed as or admitted in evidence as an admission,  
21 concession, or presumption against Plaintiffs or any other member of the  
22 Settlement Class that any of their claims are without merit or that damages  
23 recoverable under the Complaint would not have exceeded the Settlement  
24 Amount.

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**MISCELLANEOUS PROVISIONS**

9.1 Except in the event of the filing of a termination notice in accordance with the parties’ Supplemental Agreement, the Settling Parties (i) acknowledge that it is their intent to consummate this Settlement; and (ii) agree to cooperate to the extent reasonably necessary to effectuate and implement all terms and conditions of the Stipulation and to exercise their reasonable best efforts to accomplish the foregoing terms and conditions of the Stipulation.

9.2 The Settling Parties and their counsel represent that they will not encourage or otherwise influence any Settlement Class Members to request exclusion from, or object to, the Settlement.

9.3 Pending final determination of whether the Stipulation should be approved, Lead Counsel, Plaintiffs, and the members of the Settlement Class are barred and enjoined from commencing or prosecuting any action asserting any Released Claims against any Released Parties.

9.4 The Settling Parties shall not assert or pursue any action, claim or rights that any party violated any provision of Rule 11 of the Federal Rules of Civil Procedure in connection with the Action, the Settlement, the Stipulation or the Supplemental Agreement. The Settling Parties agree that the Action was resolved in good faith following arm’s-length bargaining.

9.5 Plaintiffs’ counsel represents and warrants that the Plaintiffs are Settlement Class Members and none of the Plaintiffs’ claims or causes of action against one or more Defendants in the Action, or referred to in this Stipulation, or that could have been alleged against one or more Defendants in the Action,

1 have been assigned, encumbered or in any manner transferred in whole or in  
2 part.

3 9.6 All agreements made and orders entered during the course of the  
4 Litigation relating to the confidentiality of information shall survive this  
5 Stipulation.

6 9.7 All of the Exhibits to the Stipulation are material and integral parts  
7 hereof and are fully incorporated herein by this reference.

8 9.8 This Stipulation shall not be construed more strictly against one  
9 Settling Party than another merely by virtue of the fact that it, or any part of it,  
10 may have been prepared by counsel for one of the Settling Parties, it being  
11 recognized that it is the result of arm's-length negotiations between the Settling  
12 Parties and that all Settling Parties have contributed substantially and materially  
13 to the preparation of this Stipulation.

14 9.9 The Stipulation may be amended or modified only by a written  
15 instrument signed by or on behalf of all Settling Parties or their respective  
16 successors-in-interest.

17 9.10 The Stipulation and the Exhibits attached hereto and the  
18 Supplemental Agreement constitute the entire agreement among the Settling  
19 Parties hereto and no representations, warranties, or inducements have been  
20 made to any Settling Party concerning the Stipulation, its Exhibits, or the  
21 Supplemental Agreement other than the representations, warranties, and  
22 covenants contained and memorialized in such documents. Except as otherwise  
23 provided herein, each Settling Party shall bear its own costs.

24 9.11 Lead Counsel, on behalf of the Settlement Class, are expressly  
25 authorized by Plaintiffs to take all appropriate action required or permitted to be  
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1 taken by the Settlement Class pursuant to the Stipulation to effectuate its terms  
2 and also are expressly authorized to enter into any modifications or amendments  
3 to the Stipulation on behalf of the Settlement Class that they deem appropriate.

4 9.12 Each counsel or other Person executing the Stipulation or any of its  
5 Exhibits on behalf of any Settling Party hereto hereby warrants that such Person  
6 has the full authority to do so.

7 9.13 Any failure by any of the Settling Parties to insist upon the strict  
8 performance by any other Settling Party of any of the provisions of the  
9 Stipulation shall not be deemed a waiver of any of the provisions hereof, and  
10 such Settling Party, notwithstanding such failure, shall have the right thereafter  
11 to insist upon the strict performance of any and all of the provisions of this  
12 Stipulation to be performed by the other Settling Parties to this Stipulation.

13 9.14 The waiver by one Settling Party of any breach of this Stipulation  
14 by any other Settling Party shall not be deemed a waiver of any other prior or  
15 subsequent breach of this Stipulation.

16 9.15 The Stipulation may be executed in one or more counterparts,  
17 including by signature transmitted by email in pdf format. All executed  
18 counterparts and each of them shall be deemed to be one and the same  
19 instrument. A complete set of executed counterparts shall be filed with the  
20 Court.

21 9.16 The Stipulation shall be binding upon, and inure to the benefit of,  
22 the successors and assigns of the parties hereto.

23 9.17 The Released Parties who do not appear on the signature lines  
24 below, including but not limited to the Individual Defendants, are acknowledged  
25 and agreed to be third party beneficiaries of this Stipulation and Settlement and  
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1 have the same rights to enforce this Stipulation and Settlement as the signatories  
2 hereto.

3 9.18 The Court shall retain jurisdiction with respect to implementation  
4 and enforcement of the terms of the Stipulation, and all Settling Parties submit to  
5 the jurisdiction of the Court for purposes of implementing and enforcing the  
6 Settlement embodied in the Stipulation.

7 9.19 The Stipulation and the Exhibits hereto shall be considered to have  
8 been negotiated, executed and delivered, and to be wholly performed, in the  
9 State of California, and the rights and obligations of the parties to the Stipulation  
10 shall be construed and enforced in accordance with, and governed by, the  
11 internal, substantive laws of the State of California without giving effect to that  
12 State's choice-of-law principles.

13 IN WITNESS WHEREOF, the parties hereto have caused the Stipulation to  
14 be executed, by their duly authorized attorneys dated as of October 4, 2018.

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18 [Signatures on following page]  
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DATED: October 4, 2018



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Adam M. Apton  
Levi & Korsinsky, LLP

Shimon Yiftach  
Bronstein, Gewirtz & Grossman

*Counsel for Plaintiffs M&M Hart  
Living Trust and Randi Williams and  
Co-Lead Counsel for the Class*



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DATED: October 4, 2018

Stephen P. Blake  
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*Counsel for Defendants Global Eagle  
Entertainment, Inc., David M. Davis,  
and Thomas E. Severson, Jr.*