

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

ASHLEY DESVARIEUX, Individually and
On Behalf of All Others Similarly Situated,
Plaintiff,

v.

AXIOM HOLDINGS, INC. and CURTIS
RILEY,
Defendants.

Case No. 17 Civ. 4756 (JPC) (GWG)

**NOTICE OF (I) PENDENCY AND CERTIFICATION OF CLASS ACTION; (II) ENTRY OF
DEFAULT JUDGMENT AGAINST AXIOM HOLDINGS, INC. ON THE ISSUE OF
LIABILITY; AND (III) PROPOSED VOLUNTARY DISMISSAL OF CLAIMS AGAINST
DEFENDANT CURTIS RILEY**

A Federal Court authorized this Notice. This is not a solicitation from a lawyer.

**PLEASE READ THIS NOTICE CAREFULLY AND IN ITS ENTIRETY. YOUR RIGHTS MAY
BE AFFECTED BY PROCEEDINGS IN THIS ACTION.**

TO: ALL PURCHASERS AND ACQUIRERS OF AXIOM HOLDINGS, INC. SECURITIES
DURING THE PERIOD FROM OCTOBER 14, 2016 THROUGH AND INCLUDING JUNE
19, 2017 (the “Judgment Class”).

- If you purchased or acquired securities of Axiom Holdings, Inc. (“Axiom”) during the period from October 14, 2016 through and including June 19, 2017 (the “Class Period”), you may be a member of a certified class action pending in the United States District Court for the Southern District of New York (the “Court”) against Axiom Holdings, Inc. (“Axiom”) and Curtis Riley (“Riley”, and together with Axiom, “Defendants”). The lawsuit alleges that Defendants artificially inflated the price of Axiom securities by making false statements.
- The Court decided that this lawsuit should proceed as a class action on behalf of a group of people and entities that may include you. The Judgment Class consists of all persons and entities who purchased or otherwise acquired Axiom securities during the Class Period and were injured thereby.
- Excluded from the Judgment Class are Defendants Axiom and Curtis Riley (“Riley”) the officers and directors of Axiom who held such positions at any relevant time, members of their immediate families and their legal representatives, heirs, successors, or assigns, and any entity in which Defendants have or had a controlling interest.
- The Court has entered a default judgment against Defendant Axiom as to the issue of liability on behalf of the Judgment Class. Additionally, notice is hereby given that the Class Representatives have requested the Court issue an Order voluntarily dismissing all claims against Riley, without prejudice, such that the Action will proceed against Axiom only for a determination of damages, given that Defendant Riley appears to lack identifiable recoverable assets and thus would be essentially judgment proof. Defendant Riley has raised an objection to the proposed dismissal of claims against him without prejudice and seeks dismissal of such claims with prejudice, or alternatively that any class members excluding themselves from the action be required to declare

their intent to the Court immediately and have a time limit of thirty days to file litigation against Defendant Riley.

THIS CASE HAS NOT BEEN SETTLED NOR HAS THE COURT DETERMINED THE AMOUNT OF DAMAGES TO WHICH MEMBERS OF THE JUDGMENT CLASS MAY BE ENTITLED. THIS NOTICE IS INTENDED ONLY TO INFORM YOU THAT A CERTIFIED CLASS ACTION IS CURRENTLY IN PROGRESS, A COURT HAS ENTERED DEFAULT JUDGMENT AGAINST DEFENDANT AXIOM ON THE ISSUE OF LIABILITY, AND THE CLASS REPRESENTATIVES ARE PROPOSING TO VOLUNTARILY DISMISS ALL CLAIMS AGAINST DEFENDANT RILEY.

<u>YOUR RIGHTS AND OPTIONS IN THIS LAWSUIT</u>	
<i>DO NOTHING</i>	<p>Stay in the lawsuit. Await the Outcome. Share in possible benefits. Give up certain rights.</p> <p>By doing nothing, you are choosing to stay in the Class. You will be permitted to share in any recovery that may result from this Class Action, but you will give up your rights to sue the Defendants in a separate lawsuit for the claims made in this class action. In addition, you will be bound by past and any future court rulings on, or settlement of, the claims against the Defendants.</p>
<i>ASK TO BE EXCLUDED BY NO LATER THAN NOVEMBER 3, 2021</i>	<p>Get out of this lawsuit. Get no benefits. Keep your rights.</p> <p>If you opt out of the Class (meaning you state in writing that you do not want to be included in this lawsuit), you will not be entitled to any recovery that may result from this Class Action and you will not be bound by any past or future rulings in this lawsuit. You will be free to pursue your own claims against Defendants on your own or as part of a different lawsuit.</p>
<i>OBJECT BY NO LATER THAN NOVEMBER 3, 2021</i>	<p>Write to the Court about why you object to the proposed voluntary dismissal of claims against Defendant Curtis Riley, without prejudice.</p> <p>Dismissal without prejudice means that the dismissal is not binding on the Judgment Class, and claims against Defendant Riley may still be brought by individual members of the Judgment Class, or reraised by the Class, subject to time limitations and periods of repose provided by law.</p>
<i>GO TO A HEARING ON NOVEMBER 16, 2021 at 10:00 a.m.</i>	<p>Ask to speak in Court about the proposed voluntary dismissal of claims against Defendant Curtis Riley, without prejudice, by writing to the Court by no later than November 3, 2021. The Court reserves the right to hold the hearing telephonically or by other virtual means.</p>

**THESE RIGHTS AND OPTIONS AND THE DEADLINES TO EXERCISE THEM ARE
EXPLAINED IN THIS NOTICE**

NOTICE

This Notice is issued pursuant to Rule 23 of the Federal Rules of Civil Procedure and the Orders of the United States District Court for the Southern District of New York (the “Court”), entered on July 6, 2020 and March 11, 2021. The Court’s July 6, 2020 Order certified the above action as a Class Action. The Court’s March 11, 2021 Order entered default judgment on the issue of liability against Defendant Axiom. The purpose of this Notice is to inform you of: (a) the pendency of the above-captioned class action pending before the Honorable John P. Cronan in the United States District Court for the Southern District of New York (the “Action”); (b) the certification of the Judgment Class defined above, of which you may be a member (“Class Member”); (c) your right to be excluded from the Judgment Class; (d) the Court’s entry of default judgment against Defendant Axiom on the issue of liability only; and (e) the Class Representatives’ request that the Court voluntarily dismiss Defendant Riley from the Action. This Action has not been settled, a final judgment has not been entered, and the issue of damages remains unresolved. Accordingly, no claim form need be filed at this time.

If you purchased or otherwise acquired Axiom securities during the period of October 14, 2016 to June 19, 2017, both dates inclusive, you may be a member of the Judgment Class. As a Class Member, you will be bound by the result of any trial of the Action, any judgment entered by the Court, and any determination made by the Court, unless you timely mail a request for exclusion, as described below, postmarked no later November 3, 2021.

DESCRIPTION OF THE ACTION

Summary of the Action

This is an action for violations of Sections 10(b) and 20(a) of the Securities Exchange Act of 1934 (the “Exchange Act”), *codified as amended*, 15 U.S.C. §§ 78j(b), 78t(a), and SEC Rule 10b-5, *codified as amended*, 17 C.F.R. § 240.10b-5. The Plaintiffs in this action include Phillip H. Rhodes, Jr. and Shem Properties, Inc. (the “Class Representatives”), whom the Court has appointed as the Class Representatives to represent the Judgment Class. Ashley Desvarieux (“Desvarieux” and, together with the Class Representatives, the “Plaintiffs”) is also a named Plaintiff. The Defendants in this action are Axiom Holdings, Inc. (“Axiom” or the “Company”) and Curtis Riley (“Riley” and, together with Axiom, the “Defendants”).

The Class Action Complaint (the “Complaint”) alleges that Axiom violated the federal securities laws by making a series of materially false and misleading statements upon which Plaintiffs and the Class Members relied when purchasing Axiom’s securities between October 14, 2016 and June 19, 2017, inclusive (the “Class Period”), in an active and efficient market, and that they were damaged upon the revelation of Axiom’s fraud.

Specifically, the Complaint alleges that certain of the statements in Axiom’s (i) SEC Form 8-K dated October 14, 2016 concerning Axiom’s purported Share Exchange Agreement with CJC Holdings, Ltd. (“CJC”) (the “Agreement”), (ii) SEC Form 10-Q dated November 9, 2016 concerning the purported Agreement, (iii) SEC Form 10-K dated March 31, 2017 concerning the purported Agreement, and (iv) SEC Form 10-Q dated May 15, 2017 concerning the purported Agreement, were materially false or misleading when made because Axiom failed to disclose to investors that Axiom lacked control over the merger process sufficient to ensure that the Agreement with CJC would be completed, and because Axiom failed to disclose to investors that the Agreement with CJC was never completed.

The Complaint further alleges that the truth of the Company's unlawful conduct was revealed to the market on June 19, 2017, when the Company issued a corrective disclosure through a press release, and on June 20, 2017, when the U.S. Securities & Exchange Commission ("SEC") announced a temporary suspension of trading in Axiom's securities because of the SEC's concerns about certain insider transactions and false statements in the Company's public statements.

Notice is hereby given that the Court certified the Judgment Class (defined above) by an order dated July 6, 2020.

Axiom has not responded to the Complaint. Plaintiffs sought a default judgment against Axiom on liability and damages in the amount of \$1,420,000. The Court has entered default judgment against Axiom as to all claims against it on the issue of liability. The Court has not yet determined any amount of damages for which Axiom may be liable to Plaintiffs and the Class Members, given Riley's continuing presence as a Defendant in the Action. Riley has answered the Complaint and denies in substantial part all allegations of wrongdoing arising out of the conduct alleged therein.

Given the Court's entry of default judgment against Axiom on liability, and the desire to delay ruling on the amount of damages (if any) to be awarded the Class Representatives so long as Defendant Riley remains in the case, Plaintiffs, through their counsel, have engaged in discussions with Defendant Riley regarding his financial situation and ability to pay any settlement or judgment. Class Counsel concluded, based on those discussions, that Defendant Riley appears to lack identifiable recoverable assets and thus would be essentially judgment proof. After determining that it was advisable to avoid any unnecessary expenditure of judicial resources by continuing to pursue claims against Defendant Riley, and to have the Court proceed with reaching the issue of the amount of damages as to Axiom, Plaintiffs decided to request the Court voluntarily dismiss claims against Defendant Riley without prejudice. The Court thereafter directed notice of Riley's proposed dismissal be provided to the class.

Accordingly, notice is hereby given that the Class Representatives have requested the Court issue an Order voluntarily dismissing all claims against Riley, without prejudice, such that the Action will proceed against Axiom only.

Prosecution of the Action

On June 22, 2017, Plaintiff Desvarieux initiated this action against the Defendant. *See* ECF No. 1. On September 12, 2017, the Court appointed Brenda and Kerry Johnston, Phillip H. Rhodes, Jr., and Shem Properties, Inc., as Co-Lead Plaintiffs. *See* ECF No. 21. On November 13, 2018, Defendant Riley answered the Complaint. *See* ECF No. 45. By an Order entered on July 6, 2020, the Court certified the Judgment Class, appointed Phillip H. Rhodes, Jr. and Shem Properties, Inc. as the Class Representatives, and appointed Pomerantz LLP as Class Counsel. *See* ECF No. 66. Certification of the Judgment Class means that the action was legally recognized as a Class Action pursuant to Rule 23 of the Federal Rules of Civil Procedure. The Judgment Class is defined as:

All those who purchased or otherwise acquired Axiom Holdings, Inc. securities during the period from October 14, 2016 to June 19, 2017, both dates inclusive. Excluded from the Judgment Class is anyone named as a defendant, the officers and directors of Axiom Holdings, Inc., who held such positions at any relevant time, members of their immediate families and their legal representatives, heirs, successors, or assigns, and any entity in which defendants have or had a controlling interest.

By an Order entered on July 7, 2020, the Court authorized the Class Representatives to file a motion for default judgment against Axiom. *See* ECF No. 67. On January 15, 2021, the Clerk of the Court issued a Certificate of the Entry of Default against Axiom. *See* ECF No. 78. On January 21,

2021, Plaintiffs filed a motion for default judgment against Axiom. *See* ECF Nos. 79–82. In that motion, Plaintiffs sought a default judgment against Axiom on liability and damages in the amount of \$1,420,000. By an Order entered on March 11, 2021, the Court granted the Plaintiffs’ motion for default judgment against Axiom on the issue of liability, deferring a ruling on an award of damages until notice of the certification of the Judgment Class, the Court’s granting of the default judgment against Axiom on the issue of liability, and the proposed voluntary dismissal of claims against Defendant Riley is provided to the Judgment Class. *See* ECF No. 91.

This Notice is being sent to notify you that you may be a member of the Judgment Class whose rights could be affected by this Action. It is not an expression of any opinion by the Court concerning the merits of the Action. There is no assurance that a final judgment in favor of the Judgment Class will be granted. This Notice is intended to advise you of: (a) the pendency of the Action; (b) the certification of the Judgment Class defined above, of which you may be a Class Member; (c) the Court’s entry of default judgment against Defendant Axiom on the issue of liability only; (d) the Class Representatives’ proposed voluntary dismissal of Defendant Riley from the Action; and (e) your rights with respect to the Action, including the right either to remain a Class Member or to exclude yourself from the Judgment Class.

INSTRUCTIONS TO CLASS MEMBERS

If you fit the description of a member of the Judgment Class (a “Class Member”), you have a choice whether or not to remain a member of the Judgment Class on whose behalf this Action is being maintained.

If you wish to remain a Class Member, you are not required to do anything at this time. If you do nothing, you will remain a Class Member and will be bound by the result of any final judgment, before or after trial or damages inquest, whether favorable or unfavorable. If you choose to remain in the Judgment Class, you will not be able to pursue a lawsuit on your own with regard to any of the issues that were or could have been litigated or decided in this Action. If you remain in the Judgment Class, you are not personally responsible for any expenses or attorneys’ fees. If there is a recovery in this Action, you may be entitled to share in the proceeds, less costs, expenses, a reasonable incentive award to Plaintiffs, and attorneys’ fees as the Court may allow out of any such recovery.

There is no settlement, recovery, or final judgment in the Action at this time. In the event of a recovery in this Action, you will only be able to share in the proceeds of such a recovery if you are a member of the Judgment Class and were damaged by Axiom’s violations of Section 10(b) of the Exchange Act.

The Judgment Class is represented by:

Jeremy A. Lieberman, Esq.
Murielle J. Steven Walsh, Esq.
Eric D. Gottlieb, Esq.
Pomerantz LLP
600 Third Avenue, 20th Floor
New York, New York 10016
Telephone: (212) 661-1100

If you do not want to be a Class Member and therefore wish to be excluded from the Judgment Class, you must state so **in writing**. Your request for exclusion must state: the name, address, and telephone number of the person or entity requesting exclusion, that such person or entity requests exclusion from the Judgment Class in this Action, the number of Axiom securities purchased or acquired

and the date the Axiom securities were purchased or acquired, and must be signed by that person or entity requesting exclusion from the Judgment Class. Requests for exclusion must be transmitted by First Class U.S. Mail or by overnight courier service to the Notice Administrator at the following address:

Axiom Securities Litigation Notice Administrator
c/o Strategic Claims Services
P.O. Box 230
600 North Jackson Street – Suite 205
Media, PA 19063

To be effective, your Request for exclusion must be postmarked by no later than November 3, 2021.

If you wish to participate as a Judgment Class Member in this Action, do not request exclusion. If you exclude yourself from the Judgment Class, you will not be bound by any judgment or decision by the Court in this Action, but you will also not be entitled to share in the benefits of any final judgment favorable to the Judgment Class that may be entered or ordered by the Court, nor will you be entitled to share in the benefits of any Court-approved settlement that may be entered into on behalf of the Class and approved by the Court. If you request exclusion, you would be entitled to pursue any individual remedy which you may have, but only at your own cost, expense, and risk.

If you properly exclude yourself, you cannot object and you will not be legally bound by the judgment in this case.

If you do not timely request exclusion from the Class in writing postmarked by no later than November 3, 2021, you will be considered a Class Member, and you will be bound by any final judgment in this Action, and you will not be able to pursue any individual remedy against the Defendants that you otherwise may have.

WILL THERE BE ANY MONEY AVAILABLE?

There is no money available now, as noted above. If the Judgment Class receives any money, whether from a settlement with a defendant or because of a determination by the Court, you will receive a notice. The Class Representatives intend to attempt to recover funds from Axiom, the defaulting defendant. There is no assurance that any efforts to attempt to recover funds will be successful or that any funds will be recovered by the Class.

WILL THE LAYWERS BE COMPENSATED, AND WILL THE CLASS REPRESENTATIVES RECIEVE COMPENSATION?

If recovery is obtained for the Class, Class Counsel will request from the Court an award for attorney's fees and expenses. Class Counsel may also ask the Court to approve reasonable incentive awards for the Class Representatives. If approved, these fees and expenses and incentive award will either be paid from the recovery obtained for the Judgment Class.

YOUR RIGHT TO OBJECT AND APPEAR

You can tell the Court you do not agree with the proposed voluntary dismissal of Defendant Riley and that you think the Court should not grant Plaintiffs' request that the Court voluntarily dismiss claims against Defendant Riley, by mailing a letter stating that you object to the Settlement in the matter of *Desvarieux v. Axiom Holdings, Inc.*, Case No. 17-cv-04756 (S.D.N.Y.). Be sure to include (1) your name, address, and telephone number, (2) a list of all purchases and sales of Axiom securities during the

Class Period in order to show membership in the Judgment Class, (3) all grounds for the objection, including any legal support known to you or your counsel, (4) the name, address, and telephone number of all counsel, if any, who represent you, including your former or current counsel who may be entitled to compensation in connection with the objection, and (5) the number of times you and/or your counsel has filed an objection to a class action settlement or other proposed resolution of claims in the last five years, the nature of each such objection in each case, the jurisdiction in each case, and the name of the issuer of the security or seller of the product or service at issue in each case. Attendance at the Settlement Hearing is not necessary. Objectors wishing to be heard orally at any hearing in this matter are required to indicate in their written objection (or in a separate writing that is submitted in accordance with the deadline and after instruction pertinent to the submission of a written objection) that they intend to appear at the hearing and identify any witnesses they may call to testify or exhibits they intend to introduce into evidence at the hearing. Be sure to serve copies of any objections, papers, and briefs to **each** of the addresses listed below, to be received no later than November 3, 2021:

<p>Clerk of the Court</p> <p>United States District Court Southern District of New York 500 Pearl Street New York, New York 10007</p>	<p>PLAINTIFFS' COUNSEL:</p> <p>Jeremy A. Lieberman, Esq. Murielle J. Steven Walsh, Esq. Eric D. Gottlieb, Esq. POMERANTZ LLP 600 Third Avenue, 20th Floor New York, New York 10016</p>
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If you do not request exclusion from the Judgment Class in the manner set forth above, you may, if you so desire, enter an appearance in the Action through an attorney of your own choice and at your sole expense. If you wish, you may also consult with your own attorney concerning your rights in this Action, at your sole expense.

NOTICE TO BANKS, BROKERS, AND OTHER NOMINEES

If, between October 14, 2016 to June 19, 2017, both dates inclusive, you purchased, otherwise acquired, or sold Axiom securities for the beneficial interest of a person or organization other than yourself, the Court has directed that, ***WITHIN TEN (10) CALENDAR DAYS OF YOUR RECEIPT OF THE NOTICE***, you either (a) provide to the Notice Administrator the name, last known address, and email address, if an email address is available, of each person or organization for whom or which you purchased such Axiom securities during such time period; (b) request an electronic copy of the Summary Notice or Postcard Notice and email the Summary Notice or Postcard Notice in electronic format to each beneficial owner for whom you are nominee or custodian within ten (10) calendar days after receipt thereof; or (c) request additional copies of the Postcard Notice, which will be provided to you free of charge, and within ten (10) calendar days mail the Postcard Notice directly to the beneficial owners of the Axiom securities. If you choose to follow alternative procedures (b) or (c), the Court has directed that, upon such mailing or emailing, you send a statement to the Notice Administrator confirming that the mailing or emailing was made as directed. You are entitled to reimbursement of your reasonable out-of-pocket expenses actually incurred in connection with the foregoing, up to a maximum of \$0.04 plus postage at the pre-sort rate unit by the Notice Administrator per Postcard Notice actually mailed, \$0.03 per Summary Notice or Postcard Notice emailed, or \$0.04 per name and mailing or email address provided to the Notice Administrator. Those expenses will be paid upon request and submission of appropriate supporting documentation. All communications regarding the foregoing should be addressed to the Notice Administrator at the address listed above.

EXAMINATION OF PAPERS AND INQUIRIES

Inquiries concerning this Notice should be directed to:

Axiom Securities Litigation Notice
Administrator
c/o Strategic Claims Services
P.O. Box 230
600 North Jackson Street – Suite 205
Media, PA 19063
Tel.: (866) 274-4004
Fax: (610) 565-7985
info@strategicclaims.net
www.strategicclaims.net

Jeremy A. Lieberman
Murielle J. Steven Walsh
Eric D. Gottlieb
POMERANTZ LLP
600 Third Avenue, 20th Floor
New York, New York 10016
Tel: (212) 661-1100
Fax: (917) 463-1044
jalieberman@pomlaw.com
mjsteven@pomlaw.com
egottlieb@pomlaw.com

You can also access the pleadings and other papers filed in this Action at the Office of the Clerk of the United States District Court for the Southern District of New York, 500 Pearl Street, New York, New York 10007, during normal business hours of each business day. If you have an account with PACER, you may consult the pleadings and other papers filed electronically on the docket in this Action via the Court's Electronic Case Filing website at <https://ecf.nysd.uscourts.gov>.

If you have any questions concerning this case or your membership in the Judgment Class, please contact the Notice Administrator at the address above.

PLEASE DO NOT CONTACT THE COURT REGARDING THIS NOTICE

Dated: May 5, 2021 (entered May 7, 2021)
New York, New York

**By Order of the Court
United States District Court
for Southern District of New York**

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Axiom Securities Litigation Notice Administrator
c/o Strategic Claims Services
P.O. Box 230
600 North Jackson Street – Suite 205
Media, PA 19063

IMPORTANT LEGAL NOTICE – PLEASE FORWARD