

# EXHIBIT 1

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6 *Plaintiffs*

7 [Additional counsel on signature page]  
8

9 **UNITED STATES DISTRICT COURT**  
10 **CENTRAL DISTRICT OF CALIFORNIA**

11 GILBERTO FERREIRA, Individually and  
12 On Behalf of All Others Similarly Situated,

13 Plaintiff,

14 v.

15 FUNKO, INC., et al.,

16 Defendants.  
17

Case No.  
2:20-cv-02319-VAP-(MAAx)

CLASS ACTION

Hon. Virginia A. Phillips

**STIPULATION AND  
AGREEMENT OF  
SETTLEMENT**

18 This Stipulation and Agreement of Settlement (the “Stipulation”) is made and  
19 entered into by and between Abdul Baker, Zhibin Zhang, and Huaiyu Zheng  
20 (collectively, “Lead Plaintiffs”), on behalf of themselves and all other members of  
21 the Settlement Class (defined below), and Funko, Inc. (“Funko,” or “the Company”),  
22 Brian Mariotti, Jennifer Fall Jung, Andrew Perlmutter, Ken Brotman, Gino Dellomo,  
23 and Adam Kriger (the “Settling Defendants”), and ACON Investments, L.L.C.,  
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1 ACON Funko Manager, L.L.C., ACON Funko Investors, L.L.C., ACON Funko  
2 Investors Holdings 1, L.L.C., ACON Funko Investors Holdings 2, L.L.C., ACON  
3 Funko Investors Holdings 3, L.L.C., and ACON Equity GenPar, L.L.C. (the “ACON  
4 Defendants”), and embodies the terms and conditions of the settlement of the above-  
5 captioned action (the “Action”).<sup>1</sup> Subject to the approval of the Court and the terms  
6 and conditions expressly provided herein, this Stipulation is intended to fully, finally  
7 and forever compromise, settle, release, resolve and dismiss with prejudice the  
8 Action, in its entirety as against all Defendants (defined below), and all Released  
9 Plaintiffs’ Claims (defined below).  
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13 **WHEREAS:**

14 A. Beginning on March 10, 2020, three similar actions were filed asserting  
15 violations of the federal securities laws against Defendants: (1) the above-captioned  
16 action (the “*Ferreira* Action”); (2) *Nahas v. Funko, Inc., et al.*, No. 2:20-cv-03130  
17 (C.D. Cal.) (the “*Nahas* Action”); and (3) *Dachev v. Funko, Inc., et al.*, No. 2:20-cv-  
18 00544 (W.D. Wash.) (the “*Dachev* Action”).

19 B. On June 11, 2020, the Court entered an Order (ECF No. 58): (i)  
20 consolidating the *Nahas* Action with the *Ferreira* Action; (ii) appointing Abdul  
21 Baker, Zhibin Zhang, and Huaiyu Zheng as Lead Plaintiffs for the proposed class;  
22 and (iii) appointing Bernstein Liebhard LLP and Pomerantz LLP as Co-Lead  
23 Counsel.

24 C. On June 24, 2020, the *Dachev* Action was voluntarily dismissed.

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26 \_\_\_\_\_  
27 <sup>1</sup> All terms with initial capitalization not otherwise defined shall have the meanings  
28 ascribed to them in ¶ 1 herein.

1 D. On July 31, 2020, Lead Plaintiffs filed a First Consolidated Amended  
2 Class Action Complaint, alleging violations of Sections 10(b), 20(a), and 20A of the  
3 Securities Exchange Act of 1934 (“Exchange Act”), and Rule 10b-5 promulgated  
4 thereunder, against Defendants on behalf of all persons and entities that purchased  
5 or otherwise acquired Funko securities between August 8, 2019 and March 5, 2020,  
6 inclusive, and who were damaged thereby (the “Class”).

7 E. On October 2, 2020, the Settling Defendants and the ACON Defendants  
8 (defined below) filed separate motions to dismiss the First Consolidated Amended  
9 Complaint.

10 F. On December 1, 2020, Lead Plaintiffs filed an omnibus memorandum  
11 in opposition to the motions to dismiss the First Amended Consolidated Complaint.

12 G. On December 30, 2020, the Settling Defendants and the ACON  
13 Defendants filed separate reply briefs in support of their respective motions to  
14 dismiss the First Consolidated Amended Complaint.

15 H. On January 14, 2021, Lead Plaintiffs filed a corrected omnibus  
16 memorandum of law in opposition to the motions to dismiss the First Consolidated  
17 Amended Complaint.

18 I. On January 22, 2021, the Settling Defendants filed a supplemental reply  
19 brief in support of their motion to dismiss in response to Lead Plaintiffs’ corrected  
20 omnibus memorandum of law.

21 J. On January 26, 2021, the Court issued an Order directing the parties to  
22 submit supplemental briefing addressing the impact of the Ninth Circuit’s decision,  
23 *Wochos v. Tesla, Inc.*, 985 F.3d 1180 (9th Cir. 2021) on Defendants’ pending  
24 motions to dismiss (*see* ECF 133).

25 K. On January 29, 2021, the parties submitted supplemental briefing  
26 addressing the impact of the Ninth Circuit’s decision, *Wochos v. Tesla, Inc.*, 985  
27 F.3d 1180 (9th Cir. 2021) on Defendants’ pending motions to dismiss.  
28

1 L. On February 25, 2021, the Court granted Defendants’ motions to  
2 dismiss the First Consolidated Amended Complaint. The Court also granted Lead  
3 Plaintiffs leave to amend (*see* ECF 141).

4 M. On March 29, 2021, Lead Plaintiffs filed the operative, Consolidated  
5 Second Amended Complaint (the “SAC”) against the Defendants.

6 N. On May 7, 2021, the Settling Defendants and the ACON Defendants  
7 filed separate motions to dismiss the SAC.

8 O. On June 11, 2021, Lead Plaintiffs filed oppositions to both motions to  
9 dismiss the SAC.

10 P. On June 16, 2021, the Court issued an Order directing Defendants to  
11 address the impact of *In re Alphabet, Inc. Sec. Litig.*, 1 F.4th 687 (9th Cir. 2021),  
12 *cert. denied sub nom. Alphabet Inc. v. Rhode Island*, 142 S. Ct. 1227 (2022)  
13 (“*Alphabet*”) on Defendants’ motions to dismiss the SAC in their respective reply  
14 briefs. The Court also granted Lead Plaintiffs leave to file a sur-reply addressing  
15 *Alphabet* (*see* ECF 156).

16 Q. On July 2, 2021, the Settling Defendants and the ACON Defendants  
17 filed separate reply memoranda in support of their respective motions to dismiss the  
18 SAC.

19 R. On July 16, 2021, Lead Plaintiffs filed a sur-reply in further support of  
20 their oppositions to the motions to dismiss the SAC.

21 S. On October 18, 2021, the Court issued its tentative ruling and heard  
22 oral argument on the motions to dismiss the SAC.

23 T. On October 22, 2021, the Court granted in part and denied in part the  
24 motions to dismiss the SAC (*see* ECF 165).

25 U. On November 22, 2021, Defendants filed their Answers to the SAC.

26 V. On January 6, 2022, the parties filed their Joint Rule 26(f) Report (*see*  
27 ECF 173).  
28

1 W. On January 11, 2022, the parties served their Rule 26(a)(1) Initial  
2 Disclosures.

3 X. Between December 2021 and March 2022, the parties served and  
4 responded to various demands for the production of documents and interrogatories  
5 and engaged in a meet and confer with respect to Lead Plaintiffs' Objections and  
6 Responses to the Settling Defendants' Requests for Production of Documents and  
7 Interrogatories.

8 Y. On February 15, 2022, the parties filed a Stipulated Protective Order  
9 (*see* ECF 175).

10 Z. On March 4, 2022, the parties entered into a Stipulated Discovery Order  
11 Governing the Production of Documents and Discovery of Electronically Stored  
12 Information.

13 AA. On April 11, 2022, the Parties engaged Michelle Yoshida, a well-  
14 respected and highly experienced mediator associated with Phillips ADR to assist  
15 them in exploring whether a negotiated resolution was possible. Thereafter, the  
16 Parties exchanged confidential mediation statements.

17 BB. On April 27, 2022, the Parties engaged in a full-day mediation session  
18 before the Mediator. The Parties were able to reach a settlement in principle,  
19 resulting in a Memorandum of Understanding (the "MOU"), entered into on April  
20 29, 2022.

21 CC. On May 2, 2022, the Parties informed the Court that they had reached  
22 a settlement in principle asked the Court to stay all deadlines.

23 DD. This Stipulation (together with the exhibits attached hereto) reflects the  
24 final and binding agreement between the Parties.

25 EE. Based upon Lead Counsel's investigation and evaluation of the facts  
26 and law relating to the claims alleged in this Action, Lead Counsel's pre-and post-  
27 filing investigations, and Lead Counsel's consultation with experts and their  
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1 prosecution and mediation of the Action, Lead Plaintiffs and Lead Counsel have  
2 agreed to settle the Action and release the Releasees as to the Released Plaintiffs’  
3 Claims pursuant to the terms of this Stipulation and subject to its terms and  
4 conditions (including the completion of Confirmatory Discovery) after considering,  
5 among other things: (i) the substantial benefits that the terms of the proposed  
6 Settlement will provide to Settlement Class Members; (ii) the attendant risks of  
7 litigation, especially in complex actions such as this one; (iii) the defenses available  
8 to Defendants; (iv) the difficulties and delays inherent in such litigation; (v) the  
9 desirability of consummating the Settlement promptly to provide effective relief to  
10 Settlement Class Members; and (vi) Lead Plaintiffs’ and Lead Counsel’s belief, to  
11 be verified through the Confirmatory Discovery, that the proposed Settlement is fair,  
12 reasonable, and adequate and in the best interests of Settlement Class Members.

13 FF. Defendants have denied and continue to deny any wrongdoing or that  
14 they have committed any act or omission giving rise to any liability or violation of  
15 law, including the U.S. securities laws. Defendants have denied and continue to deny  
16 each and every one of the claims alleged by Lead Plaintiffs in the Action on behalf  
17 of the proposed class, including all claims in the SAC. Defendants also have denied,  
18 and continue to deny, *inter alia*, the allegations that Lead Plaintiffs or Settlement  
19 Class Members have suffered damages or were otherwise harmed by the conduct  
20 alleged in the Action. Defendants have asserted, and continue to assert, that, at all  
21 times, they acted in good faith and in a manner they reasonably believed to be in  
22 accordance with all applicable rules, regulations, and laws. Nonetheless, Settling  
23 Defendants have determined that it is desirable and beneficial to them that the Action  
24 be settled in the manner and upon the terms and conditions set forth in this  
25 Stipulation to avoid the further expense, inconvenience, and burden of this Action,  
26 the distraction and diversion of personnel and resources, and to obtain the conclusive  
27 and complete dismissal and/or release of this Action and the Released Claims.  
28

1 GG. As set forth below, neither the Settlement nor any of the terms of this  
2 Stipulation shall constitute an admission or finding of any fault, liability,  
3 wrongdoing, or damages whatsoever or any infirmity in the defenses that Defendants  
4 have, or could have, asserted. Settling Defendants are entering into this Stipulation  
5 solely to eliminate the burden and expense of further litigation. Settling Defendants  
6 have determined that it is desirable and beneficial to them that the Action be settled  
7 in the manner and upon the terms and conditions set forth in this Stipulation.  
8 Similarly, this Stipulation shall in no event be construed or deemed to be evidence  
9 of or an admission or concession on the part of Lead Plaintiffs of any infirmity in  
10 any of the claims asserted in the Action, or an admission or concession that any of  
11 Defendants' defenses to liability had any merit. Each of the parties recognizes and  
12 acknowledges, however, that the Action has been initiated, filed, and prosecuted by  
13 Lead Plaintiffs in good faith and defended by Defendants in good faith, and that the  
14 Action is being voluntarily settled with the advice of counsel.

15 **NOW THEREFORE**, without any concession by Lead Plaintiffs that the  
16 Action lacks merit, and without any concession by the Settling Defendants of any  
17 liability or wrongdoing or lack of merit in Defendants' defenses, it is hereby  
18 **STIPULATED AND AGREED**, by and among the parties to this Stipulation,  
19 through their respective attorneys, subject to approval by the Court pursuant to Rule  
20 23(e) of the Federal Rules of Civil Procedure, that, in consideration of the benefits  
21 flowing to the Parties hereto, all Released Plaintiffs' Claims and all Released  
22 Defendants' Claims, as against all Released Parties, shall be fully, finally, and  
23 forever compromised, settled, released, discharged, and dismissed with prejudice,  
24 and without costs, upon and subject to the following terms and conditions:

25  
26 **DEFINITIONS**

27 1. As used in this Stipulation, the following terms shall have the meanings  
28 set forth below. In the event of any inconsistency between any definition set forth

1 below and any definition in any other document related to the Settlement, the  
2 definition set forth below shall control.

3 (a) “ACON Defendants” means ACON Investments, L.L.C., ACON  
4 Funko Manager, L.L.C., ACON Funko Investors, L.L.C., ACON Funko Investors  
5 Holdings 1, L.L.C., ACON Funko Investors Holdings 2, L.L.C., ACON Funko  
6 Investors Holdings 3, L.L.C., and ACON Equity GenPar, L.L.C.

7 (b) “Action” means the civil action captioned *Gilberto Ferreira, et al.*  
8 *v. Funko, Inc., et al.*, 2:20-cv-02319-VAP-MAAx, pending in the United States  
9 District Court for the Central District of California before the Honorable Virginia A.  
10 Phillips.

11 (c) “Authorized Claimant” means a Settlement Class Member who  
12 submits a Claim to the Claims Administrator that is approved by the Court for  
13 payment from the Net Settlement Fund.

14 (d) “Claim” means a paper claim submitted on a Proof of Claim Form  
15 or an electronic claim that is submitted to the Claims Administrator.

16 (e) “Claim Form” or “Proof of Claim” means the form, substantially  
17 in the form attached hereto as Exhibit A-2, that a Claimant must complete and submit  
18 should that Claimant seek to share in a distribution of the Net Settlement Fund.

19 (f) “Claimant” means a person or entity who or which submits a  
20 Claim to the Claims Administrator seeking to be eligible to share in the proceeds of  
21 the Net Settlement Fund.

22 (g) “Claims Administrator” means Strategic Claims Services, which  
23 shall administer the Settlement.

24 (h) “Class Distribution Order” means an order entered by the Court  
25 authorizing and directing that the Net Settlement Fund be distributed, in whole or in  
26 part, to Authorized Claimants.

27 (i) “Class Period” means the period from August 8, 2019 to March 5,  
28

1 2020, inclusive.

2 (j) “Confirmatory Discovery” means the documents and information  
3 that Funko produced to Lead Plaintiffs as described in ¶ 8 below.

4 (k) “Court” means the United States District Court for the Central  
5 District of California.

6 (l) “Defendants” and “Released Defendants” means the Settling  
7 Defendants and the ACON Defendants.

8 (m) “Defendants’ Releasees” means Defendants, Russell Nickel, and  
9 all other of their current and former parents, affiliates, subsidiaries, related entities,  
10 officers, directors, agents, successors, predecessors, assigns, assignees, partnerships,  
11 partners, principals, trustees, trusts, employees, Immediate Family members, insurers,  
12 advisors, estates, heirs, executors, administrators, shareholders, joint ventures,  
13 members, managers, supervisors, contractors, consultants, representatives, attorneys,  
14 and legal or personal representatives of the foregoing, in their capacities as such.

15 (n) “Effective Date” with respect to the Settlement means the first day  
16 by which all of the events and conditions specified in ¶ 34 of this Stipulation have  
17 been met and have occurred or have been waived.

18 (o) “ERISA” means the Employment Retirement Income Security Act  
19 of 1974, as amended.

20 (p) “Escrow Account” means the separate escrow account maintained  
21 at Signature Bank, 261 Madison Avenue, New York, NY 10016, wherein the  
22 Settlement Amount shall be deposited and held in escrow under the control of Lead  
23 Counsel.

24 (q) “Escrow Agent” means Lead Counsel.

25 (r) “Escrow Agreement” means the agreement between Lead Counsel  
26 and Signature Bank setting forth the terms under which the Escrow Agent shall  
27 maintain the Escrow Account.  
28

1 (s) “Fee and Expense Application” means Lead Counsel’s  
2 application, for an award of attorneys’ fees and payment of Litigation Expenses  
3 incurred in prosecuting this Action, including any expenses of Lead Plaintiffs  
4 pursuant to 15 U.S.C. § 78u-4(a)(4) of the Private Securities Litigation Reform Act of  
5 1995 (“PSLRA”).

6 (t) “Final” with respect to the Judgment, or any other court order,  
7 means the later of: (i) if there is an appeal from a court order, the date of final  
8 affirmance on appeal and the expiration of the time for any further judicial review  
9 whether by appeal, reconsideration or a petition for a *writ of certiorari* and, if  
10 *certiorari* is granted, the date of final affirmance of the order following review  
11 pursuant to the grant; or (ii) the date of final dismissal of any appeal from the order or  
12 the final dismissal of any proceeding on *certiorari* to review the order; or (iii) the  
13 expiration of the time for the filing or noticing of any appeal or petition for *certiorari*  
14 from the order (or, if the date for taking an appeal or seeking review of the order shall  
15 be extended beyond this time by order of the issuing court, by operation of law or  
16 otherwise, or if such extension is requested, the date of expiration of any extension if  
17 any appeal or review is not sought), without any such filing or noticing being made.  
18 However, any appeal or proceeding seeking subsequent judicial review pertaining  
19 solely to the Plan of Allocation of the Net Settlement Fund, or to the Court’s award  
20 of attorneys’ fees or Litigation Expenses, shall not in any way delay or affect the time  
21 set forth above for the Judgment to become Final or otherwise preclude the Judgment  
22 from becoming Final.  
23

24 (u) “Immediate Family” means heirs, children, stepchildren, parents,  
25 stepparents, spouses, siblings, mothers-in-law, fathers-in-law, sons-in-law, daughters-  
26 in-law, brothers-in-law, and sisters-in-law. As used in this paragraph, “spouse” shall  
27 mean a husband, a wife, or partner in a state-recognized domestic relationship or civil  
28 union.

1 (v) “Individual Defendants” means Brian Mariotti, Jennifer Fall  
2 Jung, Andrew Perlmutter, Ken Brotman, Gino Dellomo, and Adam Kriger.

3 (w) “Internet Notice” means the “Internet Notice of Pendency and  
4 Proposed Settlement of Class Action,” to be published substantially in the form  
5 attached hereto as Exhibit A-1.

6 (x) “Judgment” means the judgment and order of dismissal,  
7 substantially in the form attached hereto as Exhibit B, to be entered by the Court  
8 approving the Settlement.

9 (y) “Lead Counsel” means Bernstein Liebhard LLP and Pomerantz  
10 LLP.

11 (z) “Lead Plaintiffs” means Huaiyu Zheng, Abdul Baker, and Zhibin  
12 Zhang.

13 (aa) “Litigation Expenses” means costs and expenses incurred in  
14 connection with commencing, prosecuting, and settling the Action (which may  
15 include the costs and expenses of Lead Plaintiffs directly related to their  
16 representation of the Settlement Class), for which Lead Counsel intends to apply to  
17 the Court for payment or reimbursement from the Settlement Fund.

18 (bb) “Net Settlement Fund” means the Settlement Fund less: (i) any  
19 Taxes; (ii) any Notice and Administration Costs; (iii) any Litigation Expenses  
20 awarded by the Court; (iv) any attorneys’ fees awarded by the court; and (v) any other  
21 costs or expenses approved by the Court.

22 (cc) “Notice” means the publication of the Internet Notice, the  
23 publication of the Summary Notice, and the mailing of the Postcard Notice.

24 (dd) “Notice and Administration Costs” means the reasonable costs,  
25 fees, and expenses that are incurred by the Claims Administrator and/or Lead Counsel  
26 in connection with providing notice to the Settlement Class and the administration of  
27 the Settlement, including but not limited to: (i) providing Notice of the proposed  
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1 Settlement by mail, publication, and other means to Settlement Class Members; and  
2 (ii) administering the Settlement, including but not limited to the Class process, as  
3 well as the costs, fees, and expenses incurred in connection with the Escrow Account.

4 (ee) “Parties” means Settling Defendants and Lead Plaintiffs,  
5 individually and on behalf of the Settlement Class.

6 (ff) “Plaintiffs’ Releasees” means Lead Plaintiffs, all other plaintiffs  
7 in the Action, and all other Settlement Class Members, and their respective current  
8 and former parents, affiliates, subsidiaries, controlling persons, associates, related or  
9 affiliated entities, and each and all of their respective past or present officers, directors,  
10 employees, partners, members, principals, agents, representatives, attorneys, financial  
11 or investment advisors, consultants, underwriters, investment bankers, commercial  
12 bankers, advisors, insurers, reinsurers, heirs, spouses, executors, trustees, general or  
13 limited partners or partnerships, limited liability companies, members, joint ventures,  
14 personal or legal representatives, estates, administrators, predecessors, successors or  
15 assigns, or any member of their Immediate Family, marital communities, or any trusts  
16 for which any of them are trustees, settlors or beneficiaries or any legal or personal  
17 representatives of the foregoing, in their capacities as such.

18 (gg) “Plan of Allocation” means the proposed plan of allocation of the  
19 Net Settlement Fund, set forth in the Internet Notice.

20 (hh) “Postcard Notice” means the “Postcard Notice of Proposed  
21 Settlement of Class Action and Settlement Fairness Hearing, and Motion for  
22 Attorneys’ Fees and Reimbursement of Litigation Expenses,” to be mailed  
23 substantially in the form attached hereto as Exhibit A-4.

24 (ii) “Preliminary Approval Order” means the order, substantially in  
25 the form attached hereto as Exhibit A, to be entered by the Court preliminarily  
26 approving the Settlement and directing that notice of the Settlement be provided to  
27 the Settlement Class.  
28

1 (jj) “PSLRA” means the Private Securities Litigation Reform Act of  
2 1995, 15 U.S.C. § 78u-4, as amended.

3 (kk) “Released Claims” means all Released Defendants’ Claims and all  
4 Released Plaintiffs’ Claims.

5 (ll) “Released Defendants’ Claims” means all claims and causes of  
6 action of every nature and description, whether known claims or Unknown Claims,  
7 whether arising under federal, state, common or foreign law, that arise out of or relate  
8 in any way to the institution, prosecution, or settlement of the claims against the  
9 Defendants, except for (i) claims relating to the enforcement of the Settlement or this  
10 Stipulation, or (ii) any claims against any person or entity who or which submits a  
11 request for exclusion from the Settlement Class in connection with the Notice  
12 (“Excluded Defendants’ Claims”). “Released Defendants’ Claims” include  
13 “Unknown Claims” as defined herein.

14 (mm) “Released Plaintiffs’ Claims” means any and all claims and causes  
15 of action, whether known claims or Unknown Claims, contingent or absolute, mature  
16 or not mature, liquidated or not liquidated, accrued or not accrued, concealed or  
17 hidden, regardless of legal or equitable theory and whether arising under federal, state,  
18 common or foreign law, that Lead Plaintiffs or any other Settlement Class Member (i)  
19 asserted in the Action; or (ii) could have asserted in any forum that arise out of or are  
20 based upon the allegations, transactions, facts, matters or occurrences,  
21 representations, or omissions that were involved, set forth, or referred to in the Action  
22 and that relate to the purchase or acquisition of Funko common stock during the Class  
23 Period. For the avoidance of doubt, this release does not release or impair: (i) any  
24 claims relating to the enforcement of the Settlement; (ii) any claims asserted  
25 derivatively in *Silverberg v. Funko, Inc.*, C.A. No. 2020-1043-MTZ (Del. Ch.), *In re*  
26 *Funko, Inc. Derivative Litigation*, Lead Case No. 20-cv-03740-VAP (C.D. Cal.), and  
27 *Smith v. Mariotti et al.*, (C.D. Cal. No. 22-cv-03155-VAP (C.D. Cal.); and (iii) any  
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1 claims of persons or entities who or which submits a request for exclusion from the  
2 Settlement Class in connection with the Notice (“Excluded Plaintiffs’ Claims”).  
3 “Released Plaintiffs’ Claims” include “Unknown Claims” as defined herein.

4 (nn) “Releasee(s)” means each and any of the Defendants’ Releasees  
5 and each and any of the Plaintiffs’ Releasees.

6 (oo) “Releases” means the releases set forth in ¶¶ 5-6 of this  
7 Stipulation.

8 (pp) “Settlement” means the settlement between Lead Plaintiffs and  
9 Settling Defendants on the terms and conditions set forth in this Stipulation.

10 (qq) “Settlement Amount” means seven million dollars (\$7,000,000)  
11 in cash in United States dollars.

12 (rr) “Settlement Class” means all persons and entities who or which  
13 purchased or otherwise acquired shares of Funko publicly traded common stock  
14 during the period from August 8, 2019 through March 5, 2020, inclusive, and who  
15 were damaged thereby. The Settlement Class includes all persons or entities who  
16 purchased Funko common stock contemporaneously with sales of Funko common  
17 stock made by Defendant Mariotti during the Class Period. Excluded from the  
18 Settlement Class are: (i) Defendants; (ii) members of the Immediate Family of each  
19 Individual Defendant; (iii) any person who was an officer or director of Funko, ; (iv)  
20 any firm or entity in which any Defendant has or had a controlling interest; (v) any  
21 person who participated in the wrongdoing alleged; (vi) Defendants’ liability  
22 insurance carriers; (vii) any affiliates, parents, or subsidiaries of Funko; (viii) all  
23 Funko plans that are covered by ERISA; and (ix) the legal representatives, agents,  
24 affiliates, heirs, beneficiaries, successors-in-interest, or assigns of any excluded  
25 person or entity in their respective capacity as such. Also excluded from the  
26 Settlement Class are any persons or entities who or which exclude themselves by  
27 submitting a request for exclusion in connection with the Notice.  
28

1 (ss) “Settlement Class Member” means each person or entity that is a  
2 member of the Settlement Class.

3 (tt) “Settling Defendants’ Counsel” means Latham & Watkins LLP.

4 (uu) “Settlement Fund” means the Settlement Amount plus any and all  
5 interest earned thereon.

6 (vv) “Settlement Fairness Hearing” means the hearing set by the Court  
7 under Rule 23(e)(2) of the Federal Rules of Civil Procedure to consider the final  
8 approval of the Settlement.

9 (ww) “Settling Defendants” means Funko, Inc., Brian Mariotti, Jennifer  
10 Fall Jung, Andrew Perlmutter, Ken Brotman, Gino Dellomo, and Adam Kriger.

11 (xx) “Summary Notice” means the “Summary Notice of Pendency of  
12 Class Action, Proposed Settlement, Motion for Attorneys’ Fees and Expenses, and  
13 Settlement Fairness Hearing” which shall be published in *Investors’ Business Daily*  
14 substantially in the form attached hereto as Exhibit A-3.

15 (yy) “Taxes” means: (i) all federal, state and/or local taxes of any kind  
16 (including any interest or penalties thereon) on any income earned by the Settlement  
17 Fund; and (ii) the expenses and costs incurred by Lead Counsel in connection with  
18 determining the amount of, and paying, any taxes owed by the Settlement Fund  
19 (including, without limitation, expenses of tax attorneys and accountants).

20 (zz) “Unknown Claims” means any Released Plaintiffs’ Claims which  
21 Lead Plaintiffs or any other Settlement Class Member does not know or suspect to  
22 exist in his, her, or its favor at the time of the release of such claims, and any Released  
23 Defendants’ Claims which any Defendant does not know or suspect to exist in his,  
24 her, or its favor at the time of the release of such claims, which if known by him, her,  
25 or it, might have affected his, her, or its decision(s) with respect to this Settlement.  
26 With respect to any and all Released Claims, the parties stipulate and agree that, upon  
27 the Effective Date of the Settlement, Lead Plaintiffs and Defendants shall expressly  
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1 waive, and each of the other Settlement Class Members shall be deemed to have  
2 waived, and by operation of the Judgment, shall have expressly waived, any and all  
3 provisions, rights and benefits conferred by any law of any state or territory of the  
4 United States, or principle of common law, which is similar, comparable, or  
5 equivalent to Cal. Civ. Code § 1542, which provides:

6  
7 **A general release does not extend to claims that the creditor or**  
8 **releasing party does not know or suspect to exist in his or her favor**  
9 **at the time of executing the release and that, if known by him or her,**  
10 **would have materially affected his or her settlement with the debtor**  
11 **or released party.**

12 Lead Plaintiffs, any Settlement Class Member, or any Defendant may hereafter  
13 discover facts, legal theories, or authorities in addition to or different from those  
14 which any of them now knows or believes to be true with respect to the subject matter  
15 of the Released Plaintiffs' Claims and the Released Defendants' Claims, but the  
16 Parties shall expressly, fully, finally, and forever waive, compromise, settle,  
17 discharge, extinguish, and release, and each Settlement Class Member shall be  
18 deemed to have waived, compromised, settled, discharged, extinguished, and  
19 released, and upon the Effective Date and by operation of the Judgment shall have  
20 waived, comprised, settled, discharged, extinguished, and released, fully, finally, and  
21 forever, any and all Released Plaintiffs' Claims and Released Defendants' Claims,  
22 as applicable, known or unknown, suspected or unsuspected, contingent or absolute,  
23 accrued or unaccrued, apparent or unapparent, which now exist, or heretofore existed,  
24 or may hereafter exist, without regard to the subsequent discovery or existence of  
25 such different or additional facts, legal theories, or authorities. The Parties  
26 acknowledge, and each of the other Settlement Class Members shall be deemed by  
27 operation of law to have acknowledged, that the foregoing waiver was separately  
28 bargained for and a key element of the Settlement.

**CLASS CERTIFICATION**

1  
2           2.       Solely for the purpose of the Settlement and for no other purpose, the  
3 parties stipulate and agree to: (a) certification of the Action as a class action pursuant  
4 to Rules 23(a) and 23(b)(3) of the Federal Rules of Civil Procedure on behalf of the  
5 Settlement Class; (b) certification of Lead Plaintiffs as Class Representatives for the  
6 Settlement Class; and (c) appointment of Lead Counsel as Class counsel for the  
7 Settlement Class pursuant to Rule 23(g) of the Federal Rules of Civil Procedure. In  
8 the event the Settlement is terminated, the Settlement is not approved, or the Effective  
9 Date of the Settlement otherwise fails to occur, as provided in ¶ 36 below, Defendants  
10 reserve the right to contest class certification and the appointment of Class  
11 Representatives, and all other rights and defenses concerning class certification and  
12 the appointment of Class Representatives and Class Counsel.

**PRELIMINARY APPROVAL OF SETTLEMENT**

13  
14           3.       On or before June 3, 2022, Lead Plaintiffs will move for preliminary  
15 approval of the Settlement, authorization to provide notice of the Settlement to the  
16 Settlement Class, and the scheduling of a hearing for consideration of final approval  
17 of the Settlement, which motion shall be unopposed by Defendants. Concurrently  
18 with the motion for preliminary approval, Lead Plaintiffs shall apply to the Court for,  
19 and Defendants shall agree to, entry of the Preliminary Approval Order, substantially  
20 in the form attached hereto as Exhibit A. This deadline may be extended by mutual  
21 agreement for good cause.

**RELEASE OF CLAIMS**

22  
23  
24           4.       The obligations incurred pursuant to this Stipulation are in consideration  
25 of: (a) the full and final disposition of the Action against Defendants; and (b) the  
26 Releases provided for herein.

27           5.       Pursuant to the Judgment, without further action by anyone, upon the  
28 Effective Date of the Settlement, Lead Plaintiffs and each of the other Settlement

1 Class Members, on behalf of themselves and each of their respective heirs, executors,  
2 trustees, administrators, predecessors, successors, and assigns, in their capacities as  
3 such, shall have, fully, finally, and forever compromised, settled, released, resolved,  
4 relinquished, waived, and discharged each and every Released Plaintiffs' Claim  
5 against Defendants and all of the Defendants' Releasees, and shall forever be barred  
6 and enjoined from commencing, instituting, prosecuting, or maintaining any or all of  
7 the Released Plaintiffs' Claims against Defendants and any of the Defendants'  
8 Releasees. The Judgment shall include the dismissal with prejudice of the Action in  
9 its entirety as against all Defendants. This Release shall not apply to any person or  
10 entity who or which submits a request for exclusion from the Settlement Class.

11 6. Pursuant to the Judgment, without further action by anyone, upon the  
12 Effective Date of the Settlement, Defendants, on behalf of themselves and each of  
13 their respective heirs, executors, trustees, administrators, predecessors, successors,  
14 and assigns, in their capacities as such, shall have, fully, finally, and forever  
15 compromised, settled, released, resolved, relinquished, waived, and discharged each  
16 and every Released Defendants' Claim against Lead Plaintiffs and all of the Plaintiffs'  
17 Releasees, and shall forever be barred and enjoined from commencing, instituting,  
18 prosecuting, or maintaining any or all of the Released Defendants' Claims against any  
19 of the Plaintiffs' Releasees. This Release shall not apply to Released Defendants'  
20 Claims against any person or entity who or which submits a request for exclusion  
21 from the Settlement Class.

22 7. Notwithstanding ¶¶ 5-6 above, nothing in the Judgment shall bar any  
23 action by any of the Parties, Defendants' Releasees or Plaintiffs' Releasees to enforce  
24 or effectuate the terms of this Stipulation or the Judgment.

25  
26 **CONFIRMATORY DISCOVERY**

27 8. Subject to the provisions of the Stipulation and Agreement Governing  
28 the Production of Confirmatory Discovery entered into between Lead Plaintiffs and

1 Settling Defendants, Funko will provide Lead Counsel with reasonable Confirmatory  
2 Discovery regarding the claims in the SAC to allow Lead Plaintiffs and Lead Counsel  
3 to confirm the fairness, adequacy, and reasonableness of the Settlement.

4 9. Subject to ¶ 39 below, if the Confirmatory Discovery contemplated by ¶  
5 8 causes Lead Plaintiffs and Lead Counsel reasonably and in good faith to conclude  
6 that the proposed Settlement is not fair, reasonable, or adequate, Lead Plaintiffs shall  
7 have the right to terminate the Settlement within ten (10) business days following  
8 Settling Defendants' written notice that they had completed the production of  
9 Confirmatory Discovery, provided Lead Plaintiffs have given Settling Defendants at  
10 least two (2) business days' written notice of their intent to terminate. These deadlines  
11 may be extended by mutual agreement of the parties.

12 **THE SETTLEMENT CONSIDERATION**

13 10. In consideration of the settlement of the Released Plaintiffs' Claims  
14 against Settling Defendants and the other Defendants' Releasees, Settling Defendants  
15 shall pay or cause to be paid, the Settlement Amount into the Escrow Account, by  
16 wire or electronic fund transfer, no later than thirty (30) calendar days after the later  
17 of: (a) the date of entry by the Court of an order preliminarily approving this  
18 Settlement; or (b) Settling Defendants' Counsel's receipt from Lead Counsel of the  
19 information necessary to effectuate a transfer of funds to the Escrow Account,  
20 including wiring instructions that include the bank name and ABA routing number, a  
21 signed W-9 reflecting a valid taxpayer identification number for the qualified  
22 settlement fund in which the Settlement Amount is to be deposited, and any additional  
23 bank information required to effectuate the transfer. With the sole exception of  
24 Settling Defendants' obligation to secure payment of the Settlement Amount into the  
25 Escrow Account as provided for in this ¶ 10, the Defendants' Releasees shall have no  
26 responsibility for, interest in, or liability whatsoever with respect to: (i) any act,  
27 omission, or determination by Lead Counsel or the Claims Administrator, or any of  
28

1 their respective designees, in connection with the administration of the Settlement or  
2 otherwise; (ii) the management, investment, supervision, or distribution of the  
3 Settlement Fund; (iii) the Plan of Allocation; (iv) the determination, administration,  
4 calculation, or payment of any claims asserted against the Settlement Fund; (v) any  
5 loss suffered by, or fluctuation in value of, the Settlement Fund; or (vi) the payment  
6 or withholding of Taxes and/or costs incurred in connection with the taxation of the  
7 Settlement fund, distributions or other payments from the Escrow Account, or the  
8 filing of any federal, state, or local returns.

9 **USE OF SETTLEMENT FUND**

10 11. The Settlement Fund shall be used to pay: (a) any Taxes; (b) any Notice  
11 and Administration Costs; (c) any Litigation Expenses awarded by the Court; (d) any  
12 attorneys' fees awarded by the Court; and (e) any other costs and fees approved by  
13 the Court. The balance remaining in the Settlement Fund, that is, the Net Settlement  
14 Fund, shall be distributed to Authorized Claimants as provided in ¶¶ 20-32 below.

15 12. Except as provided herein or pursuant to orders of the Court, the Net  
16 Settlement Fund shall remain in the Escrow Account prior to the Effective Date. All  
17 funds held by the Escrow Agent shall be deemed to be in the custody of the Court and  
18 shall remain subject to the jurisdiction of the Court until such time as the funds shall  
19 be distributed or returned pursuant to the terms of this Stipulation and/or further order  
20 of the Court. The Escrow Agent shall invest funds in the Escrow Account in  
21 instruments backed by the full faith and credit of the United States Government (or a  
22 mutual fund invested solely in such instruments), or deposit some or all of the funds  
23 in non-interest-bearing transaction account(s) that are fully insured by the Federal  
24 Deposit Insurance Corporation ("FDIC") in amounts that are up to the limit of FDIC  
25 insurance. Defendants' Releasees shall have no responsibility for, interest in, or  
26 liability whatsoever with respect to investment decisions executed by the Escrow  
27 Agent. All risks related to the investment of the Settlement Fund shall be borne solely  
28

1 by the Settlement Fund.

2 13. The Parties agree that the Settlement Fund is intended to be a Qualified  
3 Settlement Fund within the meaning of Treasury Regulation § 1.468B-1 and that the  
4 Escrow Agent, as administrator of the Settlement Fund within the meaning of  
5 Treasury Regulation § 1.468B-2(k)(3), shall be solely responsible for filing or causing  
6 to be filed all information and other tax returns as may be necessary or appropriate  
7 (including, without limitation, the returns described in Treasury Regulation § 1.468B-  
8 2(k)) for the Settlement Fund. The Escrow Agent shall also be responsible for causing  
9 payment to be made from the Settlement Fund of any Taxes owed with respect to the  
10 Settlement Fund. The Defendants' Releasees shall not have any liability or  
11 responsibility for any such Taxes. Upon written request, Settling Defendants will  
12 provide to the Escrow Agent the statement described in Treasury Regulation §  
13 1.468B-3(e). The Escrow Agent, as administrator of the Settlement Fund within the  
14 meaning of Treasury Regulation § 1.468.B-2(k)(3), shall timely make such elections  
15 as are necessary or advisable to carry out this paragraph, including, as necessary,  
16 making a "relation-back election," as described in Treasury Regulation § 1.468B-1(j),  
17 to cause the Qualified Settlement Fund to come into existence at the earliest allowable  
18 date, and shall take or cause to be taken all actions as may be necessary or appropriate  
19 in connection therewith.  
20

21 14. All Taxes shall be paid out of the Settlement Fund, and shall be timely  
22 paid, or caused to be paid, by the Escrow Agent and without further order of the Court.  
23 Any tax returns prepared for the Settlement Fund (as well as the election set forth  
24 therein) shall be consistent with the previous paragraph and in all events shall reflect  
25 that all Taxes on the income earned by the Settlement Fund shall be paid out of the  
26 Settlement Fund as provided herein. Defendants' Releasees shall have no  
27 responsibility or liability for the acts of omissions of the Escrow Agent or its agents  
28 with respect to the payment of Taxes, as described herein.

1           15. The Settlement is not a claims-made settlement. Upon the occurrence of  
2 the Effective Date, no Defendant, Defendants' Releasee, or any other person or entity  
3 who or which paid any portion of the Settlement Amount shall have any right to the  
4 return of the Settlement Fund or any portion thereof for any reason whatsoever,  
5 including without limitation, the number of Claims submitted, the collective amount  
6 of the Recognized Claims of Authorized Claimants, the percentage of recovery of  
7 losses, or the amounts to be paid to Authorized Claimants from the Net Settlement  
8 Fund.

9           16. Notwithstanding the fact that the Effective Date of the Settlement has  
10 not yet occurred, Lead Counsel may pay from the Settlement Fund up to \$200,000, in  
11 Notice and Administration Costs actually incurred and paid or payable without further  
12 approval from Settling Defendants or further order of the Court. Such costs and  
13 expenses shall include without limitation, the actual costs of printing and mailing the  
14 Postcard Notice, publishing and hosting the Internet Notice, publishing the Summary  
15 Notice, reimbursements to nominee owners for forwarding the Postcard Notice,  
16 Internet Notice, and/or Claim form to their beneficial owners, the administrative  
17 expenses incurred and fees charged by the Claims Administrator in connection with  
18 Notice and administering the Settlement (including processing the submitted Claims),  
19 and the fees, if any, of the Escrow Agent. In the event that the Settlement is terminated  
20 pursuant to the terms of this Stipulation, all Notice and Administration Costs paid or  
21 incurred, including any related fees, shall not be returned or repaid to Settling  
22 Defendants, any of the other Defendants' Releasees, or any other person or entity who  
23 or which paid any portion of the Settlement Amount. All Notice and Administration  
24 Costs shall be paid exclusively from the Settlement Fund. Except for Settling  
25 Defendants' obligation to send CAFA notice as provided for in ¶ 22, Defendants'  
26 Releasees shall have no responsibility for or liability whatsoever with respect to the  
27 Notice and Administration Costs nor shall they have any responsibility or liability  
28

1 whatsoever for any claims with respect thereto.

2 **ATTORNEYS' FEES AND LITIGATION EXPENSES**

3 17. Lead Counsel will apply to the Court for an award to be paid solely from  
4 (and out of) the Settlement Fund of attorneys' fees and payment of Litigation  
5 Expenses incurred in prosecuting the Action, plus earnings on such amounts at the  
6 same rate and for the same periods as earned by the Settlement Fund. Lead Counsel  
7 will also apply to the Court for payment or reimbursement of Litigation Expenses,  
8 which may include a request for reimbursement of Lead Plaintiffs' costs and expenses  
9 directly related to their representation of the Settlement Class, to be paid solely from  
10 (and out of) the Settlement Fund. Lead Counsel's application for an award of  
11 attorneys' fees and/or Litigation Expenses is not the subject of any agreement between  
12 Defendants and Lead Plaintiffs other than what is set forth in this Stipulation.

13 18. Any attorneys' fees and Litigation Expenses that are awarded by the  
14 Court shall be paid to Lead Counsel immediately upon award, notwithstanding the  
15 existence of any timely filed objections thereto, or potential for appeal therefrom, or  
16 collateral attack on the Settlement or any part thereof, subject to Lead Counsel's  
17 obligation to make appropriate funds or repayments to the Settlement Fund, plus  
18 accrued interest at the same net rate as is earned by the Settlement Fund, if (i) the  
19 Effective Date does not occur; (ii) the Settlement is terminated pursuant to the terms  
20 of this Stipulation; or (iii) if, as a result of any appeal or further proceedings on  
21 remand, or successful collateral attack, the award of attorneys' fees and/or Litigation  
22 Expenses is reduced or reversed and such order reducing or reversing the award has  
23 become final. Lead Counsel shall make the appropriate refund or repayment in full no  
24 later than twenty (20) business days after: (a) receiving from Settling Defendants'  
25 Counsel notice of the termination of the Settlement; or (b) any order reducing or  
26 reversing the award of attorneys' fees and/or Litigation Expenses has become final.  
27  
28 Lead Counsel and Lead Plaintiff, as a condition of receiving such fees, costs, and

1 expenses, on behalf of itself, himself, or herself, and each partner and/or shareholder  
2 of it, him, or her, agrees that the law firm and its partners and/or shareholders are  
3 subject to the jurisdiction of the Court for the purpose of enforcing the provisions of  
4 this paragraph. Any refunds required pursuant to this ¶ 18 shall be the several  
5 obligation of Lead Counsel and Lead Plaintiffs that received fees or expense to make  
6 appropriate refunds or repayments to the Settlement Fund. An award of attorneys'  
7 fees and/or Litigation Expenses is not a necessary term of this Stipulation and is not  
8 a condition of the Settlement embodied herein. Neither Lead Plaintiffs nor Lead  
9 Counsel may cancel or terminate Settlement based on this Court's or any appellate  
10 court's ruling with respect to attorneys' fees and/or Litigation Expenses.

11 19. Defendants' Releasees shall have no responsibility for or liability  
12 whatsoever with respect to the award or payment of attorneys' fees or Litigation  
13 Expenses (other than Settling Defendants' obligation to pay the Settlement Amount  
14 as set forth in ¶ 10) or any allocation of any attorneys' fees or Litigation Expenses  
15 among Lead Counsel in the Action, or to any other Person who may assert some claim  
16 thereto. The attorneys' fees and Litigation Expenses that are awarded to Lead Counsel  
17 shall be payable solely from the Escrow Account.

18 **NOTICE AND SETTLEMENT ADMINISTRATION**

19 20. As part of the Preliminary Approval Order, Lead Counsel shall seek  
20 appointment of the Claims Administrator. The Claims Administrator shall administer  
21 the Settlement, including but not limited to the process of receiving, reviewing, and  
22 approving or denying Claims, under Lead Counsel's supervision and subject to the  
23 jurisdiction of the Court. Other than Settling Defendants' obligation to provide its  
24 shareholders records as provided in ¶ 22 below, none of the Defendants, nor any other  
25 Defendants' Releasees, shall have any involvement in or any responsibility, authority,  
26 or liability whatsoever for the selection of the Claims Administrator, the Plan of  
27 Allocation, the administration of the Settlement, the Claims process, or disbursement  
28

1 of the Net Settlement Fund, and shall have no responsibility whatsoever to any person  
2 or entity, including, but not limited to Lead Plaintiffs, any other Settlement Class  
3 Members, or Lead Counsel in connection with the foregoing. Settling Defendants’  
4 Counsel shall provide reasonable cooperation in the administration of the Settlement  
5 to the extent reasonably necessary to effectuate its terms.

6       21. In accordance with the terms of the Preliminary Approval Order to be  
7 entered by the Court, Lead Counsel shall cause the Claims Administrator to issue  
8 Notice and make Proof of Claim Forms available to those members of the Settlement  
9 Class as may be identified through reasonable effort. Lead Counsel shall also cause  
10 the Claims Administrator to have the Summary Notice published in accordance with  
11 the terms of the Preliminary Approval Order to be entered by the Court. For the  
12 purposes of identifying and providing notice to the Settlement Class, within ten (10)  
13 business days of the date of entry of the Preliminary Approval Order, Settling  
14 Defendants shall provide or cause to be provided to the Claims Administrator in  
15 electronic format (at no cost to the Settlement Fund, Lead Counsel or the Claims  
16 Administrator) a list consisting of names and mailing addresses and email addresses,  
17 if available, of those who purchased or held Funko common stock during the Class  
18 Period.  
19

20       22. No later than ten (10) calendar days following the filing of this  
21 Stipulation with the Court, Settling Defendants shall serve the notice required under  
22 the Class Action Fairness Act, 28 U.S.C. § 1715 et seq. (“CAFA”). Settling  
23 Defendants are solely responsible for the costs of the CAFA notice and administering  
24 the CAFA notice. At least five (5) business days before the Settlement Fairness  
25 Hearing, Settling Defendants shall cause to be served on Lead Counsel and filed with  
26 the Court proof, by affidavit or declaration, regarding compliance with the notice  
27 requirements of CAFA. The Parties agree that any delay by Settling Defendants in  
28 timely serving the CAFA notice will not provide grounds for delay of the Settlement

1 Fairness Hearing or entry of the Judgment.

2 23. The Claims Administrator shall receive Claims and determine first,  
3 whether the Claim is a valid Claim, in whole or in part, and second, each Authorized  
4 Claimant's *pro rata* share of the Net Settlement Fund based upon each Authorized  
5 Claimant's Recognized Claim compared to the total Recognized Claims of all  
6 Authorized Claimants (as set forth in the Plan of Allocation set forth in the Internet  
7 Notice attached hereto as Exhibit A-1 or in such other plan of allocation as the Court  
8 approves).

9 24. The Plan of Allocation proposed in the Internet Notice is not a necessary  
10 term of the Settlement or of this Stipulation, and it is not a condition of the Settlement  
11 or of this Stipulation that any particular plan of allocation be approved by the Court.  
12 Lead Plaintiffs and Lead Counsel may not cancel or terminate the Settlement (or this  
13 Stipulation) based on the Court's or any appellate court's ruling with respect to the  
14 Plan of Allocation or any other plan of allocation in the Action. Settling Defendants  
15 and the other Defendants' Releasees shall not object in any way to the Plan of  
16 Allocation or any other plan of allocation in this Action. No Settling Defendant, nor  
17 any other Defendants' Releasees, shall have any involvement with or liability,  
18 obligation or responsibility whatsoever for the application of the Court-approved plan  
19 of allocation.  
20

21 25. Any Settlement Class Member that does not submit a valid Claim will  
22 not be entitled to receive any distribution from the Net Settlement Fund, but will  
23 otherwise be bound by all of the terms of this Stipulation and the Settlement, including  
24 the terms of the Judgment, to be entered in the Action and the Releases provided for  
25 herein and therein, and will be permanently barred and enjoined from bringing any  
26 action, claim, or other proceeding of any kind against the Defendants' Releasees with  
27 respect to the Released Plaintiffs' Claims in the event that the Effective Date occurs  
28 with respect to the Settlement.

1           26. Lead Counsel through the Claims Administrator shall be responsible for  
2 supervising the administration of the Settlement and the disbursement of the Net  
3 Settlement Fund subject to Court approval. No Settling Defendant nor any other  
4 Defendants' Releasees shall be permitted to review, contest, or object to any Claim,  
5 or any decision of the Claims Administrator or Lead Counsel with respect to accepting  
6 or rejecting any Claim for payment. Lead Counsel shall have the right, but not the  
7 obligation, to waive what it deems to be formal or technical defects in any Claims  
8 submitted in the interests of achieving substantial justice.

9           27. For purposes of determining the extent, if any, to which a Settlement  
10 Class Member shall be entitled to be treated as an Authorized Claimant, the following  
11 conditions shall apply:

12                   (a) Each Claimant shall be required to submit a paper or electronic  
13 Claim Form, substantially in the form attached hereto as Exhibit A-2 in accordance  
14 with the instructions for the submission of such Claims, and supported by such  
15 documents as are designated therein, including proof of the Claimant's loss, or such  
16 other documents or proof as the Claims Administrator or Lead Counsel, in their  
17 discretion, may deem acceptable;

18                   (b) All Claims must be submitted by the date set by the Court in the  
19 Preliminary Approval Order and specified in the Postcard Notice, Internet Notice, and  
20 Summary Notice. Any Settlement Class Member who fails to submit a Claim by such  
21 date shall be forever barred from receiving any distribution from the Net Settlement  
22 Fund or payment pursuant to this Stipulation (unless, by Order of the Court such  
23 Settlement Class Member's Claim is accepted), but shall in all other respects be bound  
24 by all of the terms of this Stipulation and the Settlement, including the terms of the  
25 Judgment, and the Releases provided for herein and therein, and will be permanently  
26 barred and enjoined from bringing any action, claim or other proceeding of any kind  
27 against any Defendants' Releasees with respect to any Released Plaintiffs' Claim.  
28

1 Provided that it is mailed by the claim-submission deadline, a Claim Form shall be  
2 deemed to be submitted when postmarked, if received with a postmark indicated on  
3 the envelope and if mailed by first-class mail and addressed in accordance with the  
4 instructions thereon. In all other cases, the Claim Form shall be deemed to have been  
5 submitted on the date when actually received by the Claims Administrator;

6 (c) Each Claim Form shall be submitted to and reviewed by the  
7 Claims Administrator who shall determine in accordance with this Stipulation and the  
8 Plan of Allocation the extent, if any, to which each Claim shall be allowed, subject to  
9 review by the Court pursuant to subparagraph (e) below as necessary;

10 (d) Claim Forms that do not meet the submission requirements may  
11 be rejected. Prior to rejecting a Claim Form in whole or in part, the Claims  
12 Administrator shall communicate with the Claimant in writing, to give the Claimant  
13 the chance to remedy any curable deficiencies in the Claim submitted. The Claims  
14 Administrator shall notify, in a timely fashion and in writing, all Claimants whose  
15 Claim the Claims Administrator proposes to reject in whole or in part, setting forth  
16 the reasons therefor, and shall indicate in such notice that the Claimant whose Claim  
17 is to be rejected has the right to a review by the Court if the Claimant so desires and  
18 complies with the requirements of subparagraph (e) below; and

19 (e) If any Claimant whose Claim has been rejected in whole or in part  
20 desires to contest such rejection, the Claimant must, within twenty (20) calendar days  
21 after the date of mailing of the notice required in subparagraph (d) above, or a lesser  
22 period of time if the Claim was untimely, serve upon the Claims Administrator a  
23 notice and statement of reasons indicating the Claimant's grounds for contesting the  
24 rejection along with any supporting documentation, and requesting a review thereof  
25 by the Court. If a dispute concerning a Claim cannot be otherwise resolved, Lead  
26 Counsel shall thereafter present the request for review to the Court.  
27

28 28. Each Claimant shall be deemed to have submitted to the jurisdiction of

1 the Court with respect to the Claimant's Claim, including but not limited to, all  
2 Releases provided for herein and in the Judgment, and the Claim will be subject to  
3 investigation and discovery under the Federal Rules of Civil Procedure, provided,  
4 however, that such investigation and discovery shall be limited to the Claimant's  
5 status as a Settlement Class Member and the validity and amount of the Claimant's  
6 Claim. No discovery shall be allowed on the merits of this Action or of the Settlement  
7 in connection with the processing the Claims.

8         29. Lead Counsel will apply to the Court, on notice to Settling Defendants'  
9 Counsel, for a Class Distribution Order: (a) approving the Claims Administrator's  
10 administrative determinations concerning the acceptance and rejection of the Claims  
11 submitted; (b) approving payment of any administration fees and expenses associated  
12 with the administration of the Settlement from the Escrow Account; and (c) if the  
13 Effective Date has occurred, directing payment of the Net Settlement Fund to  
14 Authorized Claimants from the Escrow Account.

15         30. Payment pursuant to the Class Distribution shall be final and conclusive  
16 against any and all Claimants. All Settlement Class Members whose Claims are not  
17 approved by the Court for payment shall be barred from participating in distributions  
18 from the Net Settlement Fund, but otherwise shall be bound by all of the terms of this  
19 Stipulation and the Settlement, including the terms of the Judgment to be entered in  
20 the Action and the Releases provided for herein and therein, and will be permanently  
21 barred and enjoined from bringing any action against any and all Defendants'  
22 Releasees with respect to any and all of the Released Plaintiffs' Claims.

23         31. No Person or entity shall have any claim against Lead Plaintiffs, Lead  
24 Counsel, the Claims Administrator, or any other agent designated by Lead Counsel,  
25 or Defendants' Releasees and/or their respective counsel, arising from distributions  
26 made substantial in accordance with this Stipulation, the Plan of Allocation approved  
27 by the Court, or any order of the Court. Lead Plaintiffs and Defendants, and their  
28



1 annexed hereto as Exhibit B.

2  
3 **CONDITIONS OF SETTLEMENT AND EFFECT OF DISAPPROVAL,**  
4 **CANCELLATION OR TERMINATION**

5 34. The Effective Date of the Settlement shall be the date on which all of the  
6 following events have occurred or been waived:

7 (a) The Stipulation, and such other documents as may be required to  
8 obtain final Court approval of the Settlement in a form satisfactory to the Lead  
9 Plaintiffs and Settling Defendants, have been executed;

10 (b) the Court has entered the Preliminary Approval Order,  
11 substantially in the form set forth in Exhibit A annexed hereto, as required by ¶ 3  
12 above;

13 (c) the Settlement Amount has been deposited into the Escrow  
14 Account in accordance with the provisions of ¶ 10 above;

15 (d) Settling Defendants have not exercised their option to terminate  
16 the Settlement pursuant to the provisions of this Stipulation;

17 (e) Lead Plaintiffs have not exercised their option to terminate the  
18 Settlement pursuant to the provisions of this Stipulation;

19 (f) the Court has approved the Settlement as described herein,  
20 following notice to the Settlement Class and a hearing, as prescribed by Rule 23 of  
21 the Federal Rules of Civil Procedure; and

22 (g) a Judgment, which shall be in all material respects substantially in  
23 the form set forth in Exhibit B annexed hereto, has been entered by the Court and has  
24 become Final.

25  
26 35. Upon the occurrence of all of the events referenced in ¶ 34 above, any  
27 and all remaining interest or right of Settling Defendants or any of Defendants'  
28 Releasees in or to the Settlement Fund, if any, shall be absolutely and forever

1 extinguished and the Releases herein shall be effective.

2 36. If the Effective Date as to the Settlement otherwise fails to occur, then:

3 (a) The Settlement and the relevant portions of this Stipulation shall  
4 be cancelled and terminated.

5 (b) Lead Plaintiffs and Defendants shall revert to their respective  
6 positions in the Action immediately prior to the execution of this Stipulation.

7 (c) The terms and provisions of this Stipulation, with the exception of  
8 this ¶ 36 and ¶¶ 1, 13-14, 16, 18, 40, and 58-60, shall have no further force and effect  
9 with respect to the parties and shall not be used in the Action or in any other  
10 proceeding for any purpose, and any Judgment or order entered by the Court in  
11 accordance with the terms of this Stipulation shall be treated as vacated, *nunc pro*  
12 *tunc*.

13 (d) In the event the Settlement is not approved or the Settlement is  
14 terminated pursuant to this Stipulation, then within ten (10) business days after such  
15 termination, the Settlement Fund (including accrued interest thereon, and change in  
16 value as a result of the investment of the Settlement Fund, and any funds received by  
17 Lead Counsel consistent with ¶ 18 above), less any Notice and Administration Costs  
18 actually incurred, paid or payable and less and Taxes paid, due or owing, shall be  
19 refunded by the Escrow Agent to Settling Defendants (or such other persons or entities  
20 as Settling Defendants may direct). In the event that the funds received by Lead  
21 Counsel consistent with ¶ 18 above have not been refunded to the Settlement Fund  
22 within ten (10) business days specified in this paragraph, those funds shall be refunded  
23 by the Escrow Agent to Settling Defendants (or such other entities as Settling  
24 Defendants may direct) immediately upon their deposit into the Escrow Account  
25 consistent with ¶ 18 above.  
26

27 37. It is further stipulated and agreed that Settling Defendants and Lead  
28 Plaintiffs shall each have the right to terminate the Settlement and this Stipulation, by

1 providing written notice of their election to do so (“Termination Notice”) to the other  
2 parties to this Stipulation within thirty (30) calendar days of: (a) the Court’s final  
3 refusal to enter the Preliminary Approval Order in any material respect; (b) the  
4 Court’s final refusal to approve the Settlement or any material part thereof; (c) the  
5 Court’s final refusal to enter the Judgment in any material respect as to the Settlement;  
6 or (d) the date upon which the Judgment is modified or reversed in any material  
7 respect by the United States Court of Appeals for the Ninth Circuit or the United  
8 States Supreme Court, and the provisions of ¶ 36 above shall apply. However, any  
9 decision or proceeding, whether in this Court or any appellate court, with respect to  
10 an application for attorneys’ fees or Litigation Expenses or with respect to any plan  
11 of allocation shall not be considered material to the Settlement, shall not effect the  
12 finality of any Judgment and shall not be grounds for termination of the Settlement.

13           38. In addition to the grounds set forth in ¶ 37 above, Settling Defendants  
14 shall have the unilateral right to terminate the Settlement in the event that the  
15 aggregate number of shares of Funko common stock purchased during the Class  
16 Period by persons or entities who would otherwise be Settlement Class Members, but  
17 who request exclusion from the Settlement Class, exceeds the sum specified in a  
18 separate supplemental agreement between Lead Plaintiffs and Funko by and through  
19 their counsel (the “Supplemental Agreement”). The Parties agree to maintain the  
20 confidentiality of the Supplemental Agreement. The Supplemental Agreement shall  
21 not be filed with the Court unless and until (i) the Parties agree in writing to file it;  
22 (ii) a dispute arises between the Parties concerning its interpretation or application; or  
23 (iii) as otherwise ordered by the Court. The Supplemental Agreement shall not  
24 otherwise be disclosed in any manner unless ordered by the Court. If required by the  
25 Court, the Supplemental Agreement and/or any of its terms may be disclosed *in*  
26 *camera* to the Court for purposes of approval of the Settlement, but such disclosure  
27 shall be carried out to the fullest extent possible in accordance with the practices of  
28

1 the Court so as to preserve the confidentiality of the Supplemental Agreement,  
2 particularly the threshold aggregate number of shares.

3 39. In addition to the grounds set forth in ¶¶ 37 and 38 above, Lead Plaintiffs  
4 shall have also have the right to terminate the Settlement if: (a) pursuant to the  
5 procedures set forth in ¶¶ 8 and 9 above, the Confirmatory Discovery causes Lead  
6 Plaintiffs and Lead Counsel reasonably and in good faith to conclude that the  
7 proposed Settlement is not fair, reasonable and adequate; or (b) in the event that the  
8 Settlement Amount has not been paid as provided for in ¶ 10 above, but only if: (i)  
9 Lead Counsel notified Settling Defendants' Counsel in writing of Lead Counsel's  
10 intention to terminate the Settlement; and (ii) the entire Settlement Amount is not  
11 transferred to the Escrow Account within ten (10) business days after Lead Counsel  
12 has provided such written notice.

13 **NO ADMISSION**

14 40. Neither the MOU, this Stipulation (whether or not consummated),  
15 including the exhibits attached hereto and the Plan of Allocation contained therein (or  
16 any other plan of allocation that may be approved by the Court), the negotiations  
17 leading to the execution of the MOU and this Stipulation, nor any proceedings taken  
18 pursuant to or in connection with the MOU, this Stipulation, and/or approval of the  
19 Settlement (including any arguments proffered in connection therewith):  
20

21 (a) shall be offered against any of the Defendants' Releasees as  
22 evidence of, or construed as, or deemed to be evidence of any presumption,  
23 concession, or admission by Defendants' Releasees with respect to the truth of any  
24 fact alleged by Lead Plaintiffs or the validity of any claim that was or could have been  
25 asserted or the deficiency of any defense that has been or could have been asserted in  
26 this Action or in any other litigation, or of any liability, negligence, fault, or other  
27 wrongdoing of any kind of any of the Defendants' Releasees or in any way referred  
28 to for any other reason as against any of the Defendants' Releasees, in any arbitration

1 proceeding or other civil, criminal, or administrative action or proceeding, other than  
2 such proceedings as may be necessary to effectuate the provisions of this Stipulation;

3 (b) shall be offered against any of the Plaintiffs' Releasees, as  
4 evidence of, or construed as, or deemed to be evidence of any presumption,  
5 concession, or admission by any of the Plaintiffs' Releasees that any of their claims  
6 are without merit, that any of the Defendants' Releasees had meritorious defenses, or  
7 that damages recoverable under the Second Amended Complaint would not have  
8 exceeded the Settlement Amount or with respect to any liability, negligence, fault, or  
9 wrongdoing of any kind, or in any way referred to for any other reason as against any  
10 of the Plaintiffs' Releasees, in any arbitration proceeding or other civil, criminal, or  
11 administrative action or proceeding, other than such proceedings as may be necessary  
12 to effectuate the provisions of this Stipulation; or

13 (c) shall be construed against any of the Releasees as an admission,  
14 concession, or presumption that the consideration to be given hereunder represents  
15 the amount which could be or would have been recovered after trial; *provided,*  
16 *however,* that if this Stipulation is approved by the Court, the Parties and the Releasees  
17 and their respective counsel may refer to it to effectuate the protections from liability  
18 granted hereunder or otherwise to enforce the terms of the Settlement.

19  
20 **MISCELLANEOUS PROVISIONS**

21 41. All of the exhibits attached hereto are hereby incorporated by reference  
22 as though fully set forth herein. Notwithstanding the foregoing, in the event that there  
23 exists a conflict or inconsistency between the terms of this Stipulation and the terms  
24 of any exhibit attached hereto, the terms of this Stipulation shall prevail.

25 42. Settling Defendants warrant that, as to the payments made or to be made  
26 on behalf of them, at the time of entering into this Stipulation and at the time of such  
27 payment they, or to the best of their knowledge any person or entities contributing to  
28 the payment of the Settlement Amount, were not insolvent, nor will the payment

1 required to be made by or on behalf of them render them insolvent, within the meaning  
2 of and/or for the purposes of the United States Bankruptcy Code, including §§ 1010  
3 and 547 thereof. This representation is made by each of the Settling Defendants as to  
4 itself, himself, or herself only and not by their counsel.

5 43. In the event of the entry of a final order of a court of competent  
6 jurisdiction determining the transfer of money to the Settlement Fund or any portion  
7 thereof by or on behalf of Settling Defendants to be a preference, voidable transfer,  
8 fraudulent transfer or similar transaction and any portion thereof is required to be  
9 returned, and such amount is not promptly deposited into the Settlement Fund by  
10 others, then, at the election of Lead Plaintiffs, the Parties shall jointly move the Court  
11 to vacate and set aside the Releases given and the Judgment entered in favor of  
12 Defendants and the other Releasees pursuant to this Stipulation, in which event the  
13 Releases and Judgment, shall be null and void, and the Parties shall be restored to  
14 their respective positions in the litigation as provided in ¶ 36 above and any cash  
15 amounts in the Settlement Fund (less any Taxes paid, due, or owing with respect to  
16 the Settlement Fund and less any notice and Administration Costs actually incurred,  
17 paid, or payable) shall be returned as provided in ¶ 36.

18 44. The Parties intend the Settlement to be the full, final, and complete  
19 resolution of all claims asserted or that could have been asserted by the Parties and  
20 the Released Defendants with respect to the Action, Released Plaintiffs' Claims, and  
21 Released Defendants' Claims. The Settlement compromises claims which are  
22 contested and shall not be deemed an admission by any Party or any Releasee as to  
23 the merits of any claim or defense. Pursuant to 15 U.S.C. § 78u-4(c)(1), the Judgment  
24 will contain a finding that, during the course of the Action, the Parties and their  
25 respective counsel at all times complied with the requirements of Rule 11 of the  
26 Federal Rules of Civil Procedure in connection with the maintenance, prosecution,  
27 defense, and settlement of the Action and shall not make any application for sanctions,  
28

1 pursuant to Rule 11 or other court rule or statute, with respect to any claim or defense  
2 in this Action. The Parties agree that the Settlement Amount and the other terms of  
3 the Settlement were negotiated at arm's-length and in good faith by the Parties,  
4 including through a mediation process supervised and conducted by Mediator  
5 Michelle Yoshida of Phillips ADR, and reflect a settlement that was reached  
6 voluntarily based upon adequate information and after consultation with competent  
7 legal counsel. The Parties and the Released Defendants reserve the right to rebut, in a  
8 manner that such party determines to be appropriate, any contention made in any  
9 public forum regarding the Action, including that the Action was brought or defended  
10 in bad faith or without reasonable basis.

11 45. The terms of the Settlement, as reflected in this Stipulation, may not be  
12 modified or amended, nor may any of its provisions be waived, except by a writing  
13 signed on behalf of Lead Plaintiffs and Settling Defendants (or their successors-in-  
14 interest) and on behalf of the ACON Defendants only with respect to a modification  
15 or amendment of the Releases set forth in ¶¶ 5 and 6 above.

16 46. The headings herein are used for the purpose of convenience only and  
17 are not meant to have legal effect.

18 47. The administration and consummation of the Settlement as embodied in  
19 this Stipulation shall be under the authority of the Court, and the Court shall retain  
20 jurisdiction for the purpose of entering orders providing for awards of attorneys' fees  
21 and Litigation Expenses to Lead Counsel and enforcing the terms of this Stipulation,  
22 including the Plan of Allocation (or such other plan of allocation as may be approved  
23 by the Court) and the distribution of the Net Settlement Fund to Settlement Class  
24 Members.

25 48. The waiver by one party of any breach of this Stipulation by any other  
26 party shall not be deemed a waiver of any other prior or subsequent breach of this  
27 Stipulation.  
28

1           49. This Stipulation, its exhibits, and the Supplemental Agreement constitute  
2 the entire agreement among Lead Plaintiffs and Settling Defendants concerning the  
3 Settlement and this Stipulation and its exhibits. All parties acknowledge that no other  
4 agreements, representations, warranties, or inducements have been made by any party  
5 concerning this Stipulation, its exhibits, or the Supplemental Agreement other than  
6 those contained and memorialized in such documents.

7           50. This Stipulation may be executed in one or more counterparts, including  
8 by signature transmitted via facsimile, or by a .pdf/.tif image of the signature  
9 transmitted via email. All executed counterparts and each of them shall be deemed to  
10 be one and the same instrument.

11           51. This Stipulation shall be binding upon and inure to the benefit of the  
12 successors and assigns of the parties, including any and all Releasees and any  
13 corporation, partnership, or other entity into or with which any party may merge,  
14 consolidate, or reorganize.

15           52. The construction, interpretation, operation, effect, and validity of this  
16 Stipulation, the Supplemental Agreement, and all documents necessary to effectuate  
17 them, shall be governed by the internal laws of the State of California without regard  
18 to conflicts of laws, except to the extent that federal law requires that federal law  
19 govern.  
20

21           53. Any action arising under or to enforce this Stipulation or any portion  
22 thereof, shall be commenced and maintained only in the Court.

23           54. This Stipulation shall not be construed more strictly against one party  
24 than another merely by virtue of the fact that it, or any part of it, may have been  
25 prepared by counsel for one of the parties, it being recognized that it is the result of  
26 arm's-length negotiations among the parties, and all parties have contributed  
27 substantially and materially to the preparation of this Stipulation.

28           55. All counsel and any other person executing this Stipulation and any of

1 the exhibits hereto, or any related Settlement documents, warrant and represent that  
2 they have the full authority to do so and that they have the authority to take appropriate  
3 action required or permitted to be taken pursuant to the Stipulation to effectuate its  
4 terms.

5 56. The Parties acknowledge that it is their intent to consummate this  
6 agreement and Lead Counsel and Settling Defendants' Counsel agree to cooperate to  
7 the extent reasonably necessary to effectuate and implement all terms and conditions  
8 of this Stipulation and to exercise their best efforts to accomplish the foregoing terms  
9 and conditions of the Stipulation, and to use best efforts to promptly agree upon and  
10 execute all such other documentation as may be reasonably required to obtain final  
11 approval by the Court of the Settlement.

12 57. If any disputes arise out of the finalization of the settlement  
13 documentation or the Settlement itself prior to submission to the Court of the  
14 application for preliminary approval of the Settlement, the parties agree to engage in  
15 an expedited telephonic mediation with the Mediator, Michelle Yoshida. If any Party  
16 is required to give notice to another Party under this Stipulation, such notice shall be  
17 in writing and shall be deemed to have been duly given (i) upon receipt of hand  
18 delivery or email transmission, with confirmation of receipt; (ii) one (1) business day  
19 after being sent to the recipient by reputable overnight courier services; or (iii) seven  
20 (7) business days after being mailed to the recipient by certified or registered mail,  
21 return receipt requested, and postage prepaid. In addition to the methods of notice  
22 permitted in this ¶ 57, all notices shall also be provided by email to ensure that they  
23 are received by the other Party. Such notice shall be provided at the following address  
24 and email addresses:

25  
26 If to Lead Plaintiffs or Lead Counsel: Bernstein Liebhard LLP  
27 Attn: Stephanie M. Beige, Esq.  
28 10 East 40th Street  
New York, N 10016  
Tel: (212) 779-1414

Email: beige@bernlieb.com

Pomerantz LLP  
Attn: Michael J. Wernke  
600 Third Avenue, 20th Floor  
New York, NY 10016  
Tel: (212) 661-1100  
Email: mjwernke@pomlaw.com

If to Settling Defendants:

Lathan & Watkins LLP  
Attn: Kevin M. McDonough  
1271 Avenue of the Americas  
New York, NY 10020  
Tel: (212) 906-1200  
Email: kevin.mcdonough@lw.com

58. Except as otherwise provided herein, each party shall bear its own costs.

59. Pending approval by the Court of this Stipulation, all proceedings in this Action shall be and remain stayed, and Lead Plaintiffs and all members of the Class shall be barred and enjoined from prosecuting any of the Released Plaintiffs' Claims against any of the Defendants' Releasees.

60. Whether or not the Stipulation is approved by the Court and whether or not the Stipulation is consummated, or the Effective Date occurs, the parties and their Counsel shall use their best efforts to keep all negotiations, discussions, acts performed, agreements, drafts, documents signed, and proceedings in connection with the Stipulation confidential.

61. All agreements made during the course of this Action relating to the confidentiality of information shall survive this Settlement.

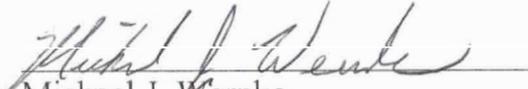
62. No opinion or advice concerning the tax consequences of the proposed Settlement to individual Settlement Class Members is being given or will be given by the Parties or their counsel; nor is any representation or warranty in this regard made by virtue of this Stipulation. Each Settlement Class Member's tax obligations, and the

1 determinations thereof are the sole responsibility of that Settlement Class Member,  
2 and it is understood that the tax consequences may vary depending on the particular  
3 circumstances of each individual Settlement Class Member.

4 **IN WITNESS WHEREOF**, the parties hereto have caused this Stipulation to  
5 be executed, by their duly authorized attorneys, as of June 3, 2022.

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POMERANTZ LLP

  
Michael J. Wernke

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*Co-Lead Counsel for Lead Plaintiffs*

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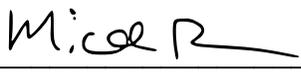
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*Funko, Inc., Brian Mariotti, Jennifer*  
*Fall Jung, Andrew Perlmutter, Ken*  
*Brotman, Gino Dellomo, and Adam*  
*Kruger*

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*Counsel for the ACON Defendants*

# EXHIBIT A

1 **POMERANTZ LLP**  
2 Jennifer Pafiti (SBN 292790)  
3 1100 Glendon Avenue, 15<sup>th</sup> Floor  
4 Los Angeles, CA 90024  
5 Telephone: (310) 405-7190  
6 jpfafiti@pomlaw.com

7 *Co-Lead Counsel for Lead*  
8 *Plaintiffs*

9 **UNITED STATES DISTRICT COURT**  
10 **CENTRAL DISTRICT OF CALIFORNIA**

11 GILBERTO FERREIRA,  
12 Individually and On Behalf of All  
13 Others Similarly Situated,

14 Plaintiff,

15 v.

16 FUNKO, INC., et al.,

17 Defendants.

Case No.: 2:20-cv-02319-VAP-MAAx

Judge: Hon. Virginia A. Phillips

**[PROPOSED] ORDER  
PRELIMINARILY APPROVING  
SETTLEMENT AND  
AUTHORIZING DISSEMINATION  
OF NOTICE OF SETTLEMENT**

18  
19 WHEREAS, a securities class action is pending in this court entitled *Gilberto*  
20 *Ferreira, et al. v. Funko, Inc., et al.*, 2:20-cv-02319-VAP-MAAx (the “Action”);

21 WHEREAS, (a) Lead Plaintiffs Huaiyu Zheng, Abdul Baker, and Zhibin  
22 Zhang (“Lead Plaintiffs”), on behalf of themselves and the Settlement Class (defined  
23 below), and (b) defendants Funko, Inc. (“Funko”) and Brian Mariotti, Jennifer Fall  
24 Jung, Andrew Perlmutter, Ken Brotman, Gino Dellomo, and Adam Kriger (the  
25 “Individual Defendants,” and together with Funko, the “Funko Defendants” or the  
26 “Settling Defendants”), and ACON Investments, L.L.C., ACON Funko Manager,  
27 L.L.C., ACON Funko Investors, L.L.C., ACON Funko Investors Holdings 1, L.L.C.,

1 ACON Funko Investors Holdings 2, L.L.C., ACON Funko Investors Holdings 3,  
2 L.L.C., and ACON Equity GenPar, L.L.C. (the “ACON Defendants,” and together  
3 with the Settling Defendants, the “Defendants”) have determined to settle all claims  
4 asserted in this Action against all parties with prejudice on the terms and conditions  
5 set forth in the Stipulation and Agreement of Settlement dated June 3, 2022 (the  
6 “Stipulation”), subject to the approval of this Court (the “Settlement”);

7 WHEREAS, Lead Plaintiffs have made a motion, pursuant to Rule 23(e)(1)  
8 of the Federal Rules of Civil Procedure, for an order preliminarily approving the  
9 Settlement in accordance with the Stipulation and allowing notice to Settlement  
10 Class Members as more fully described herein;

11 WHEREAS, the Court has read and considered: (a) Lead Plaintiffs’ motion  
12 for preliminary approval of the Settlement and authorization to send notice of the  
13 Settlement to the Settlement Class, and the papers filed and arguments made in  
14 connection therewith; and (b) the Stipulation and the exhibits attached thereto; and

15 WHEREAS, unless otherwise defined in this Order, the capitalized terms  
16 herein shall have the same meanings as they have in the Stipulation;

17 NOW THEREFORE, IT IS HEREBY ORDERED:

18 1. **Proposed Class Certification for Settlement Purposes** – Solely for  
19 purposes of effectuating the proposed Settlement, the parties have proposed the  
20 certification of the following Settlement Class pursuant to Rule 23(a) and (b)(3) of  
21 the Federal Rules of Civil Procedure: all persons or entities who purchased Funko  
22 publicly traded common stock during the period from August 8, 2019 through March  
23 5, 2020 (the “Class Period”), and who were damaged thereby (the “Settlement  
24 Class”). The Settlement Class includes all persons or entities who purchased Funko  
25 common stock contemporaneously with sales of Funko common stock made by  
26 Defendant Mariotti during the Class Period. Excluded from the Settlement Class are:

27  
28 {00499459;1 }

1 (i) Defendants; (ii) members of the Immediate Family of each Individual Defendant;  
2 (iii) any person who was an officer or director of Funko; (iv) any firm or entity in  
3 which any Defendant has or had a controlling interest; (v) any person who  
4 participated in the wrongdoing alleged; (vi) Defendants' liability insurance carriers;  
5 (vii) any affiliates, parents, or subsidiaries of Funko; (viii) all Funko plans that are  
6 covered by ERISA; and (ix) the legal representatives, agents, affiliates, heirs  
7 beneficiaries, successors-in-interest, or assigns of any excluded person or entity in  
8 their respective capacity as such. Also excluded from the Settlement Class are any  
9 persons and entities who or which exclude themselves by submitting a request for  
10 exclusion that is accepted by the Court.

11 2. **Class Findings** – The Court finds, pursuant to Rule 23 of the Federal  
12 Rules of Civil Procedure, that it will likely be able to certify the Settlement Class  
13 solely for purposes of the proposed Settlement. Specifically, the Court finds that  
14 each element required for certification of the Settlement Class pursuant to Rule 23  
15 of the Federal Rules of Civil Procedure has been met or will likely be met: (a) the  
16 members of the Settlement Class are so numerous that their joinder in the Action  
17 would be impracticable; (b) there are questions of law and fact common to the  
18 Settlement Class which predominate over any individual questions; (c) the claims of  
19 Lead Plaintiffs in the Action are typical of the claims of the Settlement Class; (d)  
20 Lead Plaintiffs and Lead Counsel have and will fairly and adequately represent and  
21 protect the interests of the Settlement Class; and (e) a class action is superior to other  
22 available methods for the fair and efficient adjudication of the Action.

23 3. The Court also finds that it will likely be able to certify Lead Plaintiffs  
24 as Class Representatives for the Settlement Class and appoint Lead Counsel as Class  
25 Counsel for the Settlement Class pursuant to Rule 23(g) of the Federal Rules of Civil  
26 Procedure.

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28 {00499459;1 }

1           4.     **Preliminary Approval of the Settlement** – The Court hereby  
2 preliminarily approves the Settlement, as embodied in the Stipulation, and finds,  
3 pursuant to Rule 23(e)(1)(B)(i) of the Federal Rules of Civil Procedure, that it will  
4 likely be able to finally approve the Settlement under Rule 23(e)(2) as being fair,  
5 reasonable, and adequate to the Settlement Class, subject to further consideration at  
6 the Settlement Hearing to be conducted as described below. The Court finds  
7 probative that the Settlement was negotiated at arm’s length under the oversight of  
8 an experienced mediator.

9           5.     **Settlement Fairness Hearing** – The Court will hold a settlement  
10 hearing (the “Settlement Hearing”) on \_\_\_\_\_, 2022, at \_\_\_\_\_ .m. Pacific  
11 Time, at the United States District Court for the Central District of California,  
12 Courtroom 8A, 350 W. 1st Street, 8<sup>th</sup> Floor, Los Angeles, CA 90012, for the  
13 following purposes: (a) to determine whether the proposed Settlement on the terms  
14 and conditions provided for in the Stipulation is fair, reasonable, and adequate to the  
15 Settlement Class, and should be finally approved by the Court; (b) to determine  
16 whether, for purposes of the Settlement only, the Action should be certified as a class  
17 action on behalf of the Settlement Class, Lead Plaintiffs should be certified as Class  
18 Representatives for the Settlement Class, and Lead Counsel should be appointed as  
19 Class Counsel for the Settlement Class; (c) to determine whether a Judgment  
20 substantially in the form attached as Exhibit B to the Stipulation should be entered  
21 dismissing the Action with prejudice against Defendants; (d) to determine whether  
22 the Releases set forth in the Stipulation should be ordered; (e) to determine whether  
23 the proposed Plan of Allocation for the proceeds of the Settlement is fair and  
24 reasonable and should be approved; (f) to determine whether Lead Counsel’s motion  
25 for attorneys’ fees and Litigation Expenses (including Lead Plaintiffs’ applications  
26 for reimbursement pursuant to the PSLRA) should be approved; (g) to consider any  
27

28 {00499459;1 }

[PROPOSED] ORDER PRELIMINARILY  
APPROVING SETTLEMENT AND AUTHORIZING  
DISSEMINATION OF NOTICE OF SETTLEMENT  
Case No. 2:20-cv-02319-VAP-(MAAx)

1 Settlement Class Members’ timely objections to the Settlement, Plan of Allocation,  
2 or motion for attorneys’ fees and Litigation Expenses; and (h) to consider any other  
3 matters that may properly be brought before the Court in connection with the  
4 Settlement. Notice of the Settlement and the Settlement Hearing shall be given to  
5 Settlement Class Members as set forth in paragraph 7 of this Order.

6         6. The Court may adjourn the Settlement Hearing without further notice  
7 to the Settlement Class and may approve the proposed Settlement with such  
8 modifications as the parties may agree to, if appropriate, without further notice to  
9 the Settlement Class, provided that doing so would not impair Settlement Class  
10 Members’ rights in a manner inconsistent with Rule 23 of the Federal Rules of Civil  
11 Procedure and due process of law.

12         7. **Retention of Claims Administrator and Manner of Giving Notice** –  
13 Lead Counsel is hereby authorized to retain Strategic Claims Services (the “Claims  
14 Administrator”) to supervise and administer the notice procedure in connection with  
15 the proposed Settlement as well as the processing of Claims as more fully set forth  
16 below.

17             a. not later than ten (10) business days after the date of entry of this  
18 Order, Settling Defendants shall, at no cost to the Settlement Fund, Lead Counsel,  
19 or the Claims Administrator, provide or cause to be provided to the Claims  
20 Administrator in electronic format a list consisting of names and mailing addresses  
21 and email addresses, if available, of those who purchased or held Funko common  
22 stock during the Class Period;

23             b. beginning not later than twenty (20) business days after the date  
24 of entry of this Order (the “Notice Date”), the Claims Administrator shall cause a  
25 copy of the Postcard Notice to be mailed by first-class mail or emailed to potential  
26 Settlement Class Members at the addresses set forth in the records provided by  
27

1 Funko or in the records which Funko caused to be provided, or who otherwise may  
2 be identified through further reasonable effort;

3 c. contemporaneously with the mailing of the Postcard Notice, the  
4 Claims Administrator shall cause copies of the Internet Notice and Claim Form to  
5 be posted on a website to be developed for the Settlement, from which copies of the  
6 Internet Notice and Claim Form can be downloaded;

7 d. not later than ten (10) business days after the Notice Date, the  
8 Claims Administrator shall cause the Summary Notice, substantially in the form  
9 attached hereto as Exhibit 3, to be published once in *Investor's Business Daily* and  
10 to be transmitted once over the PR Newswire; and

11 e. not later than seven (7) calendar days prior to the Settlement  
12 Hearing, Lead Counsel shall serve on Defendants' Counsel and file with the Court  
13 proof, by affidavit or declaration, of such mailing and publication.

14 8. **Approval of Form and Content of Notice** – The Court: (a) approves,  
15 as to form and content, the Internet Notice, the Claim Form, the Summary Notice,  
16 and the Postcard Notice attached hereto as Exhibits 1, 2, 3, and 4 respectively; and,  
17 (b) finds that the mailing and distribution of the Postcard Notice and the publication  
18 of the Summary Notice, Internet Notice and Claim Form in the manner and form set  
19 forth in paragraph 7 of this Order (i) is the best notice practicable under the  
20 circumstances; (ii) constitutes notice that is reasonably calculated, under the  
21 circumstances, to apprise Settlement Class Members of the pendency of the Action,  
22 of the effect of the proposed Settlement (including the Releases to be provided  
23 thereunder), of Lead Counsel's motion for attorneys' fees and Litigation Expenses,  
24 of their right to object to the Settlement, the Plan of Allocation, and/or Lead  
25 Counsel's motion for attorneys' fees and Litigation Expenses, of their right to  
26 exclude themselves from the Settlement Class, and of their right to appear at the  
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28 {00499459;1 }

[PROPOSED] ORDER PRELIMINARILY  
APPROVING SETTLEMENT AND AUTHORIZING  
DISSEMINATION OF NOTICE OF SETTLEMENT  
Case No. 2:20-cv-02319-VAP-(MAAx)

1 Settlement Hearing; (iii) constitutes due, adequate, and sufficient notice to all  
2 persons and entities entitled to receive notice of the proposed Settlement; and (iv)  
3 satisfies the requirements of Rule 23 of the Federal Rules of Civil Procedure, the  
4 United States Constitution (including the Due Process Clause), the Private Securities  
5 Litigation Reform Act of 1995, 15 U.S.C. § 78u-4, as amended, and all other  
6 applicable law and rules. The date and time of the Settlement Hearing shall be  
7 included in the Postcard Notice, Internet Notice and Summary Notice before they  
8 are mailed and published, respectively.

9       9.     **Nominee Procedures** – Lead Counsel, through the Claims  
10 Administrator, shall make all reasonable efforts to give notice to nominee owners  
11 such as brokerage firms and other persons or entities who purchased Funko common  
12 stock during the Class Period for the benefit of another person or entity. Brokers  
13 and other nominees who purchased Funko common stock during the Class Period  
14 for the benefit of another person or entity shall, within seven days of receipt of the  
15 Postcard Notice, either: (a) provide to the Claims Administrator the name and last  
16 known address of each such person or entity; (b) request additional copies of the  
17 Postcard Notice from the Claims Administrator, which will be provided free of  
18 charge, and, within seven days of receipt, mail the Postcard Notice directly to all  
19 such persons or entities; or (c) request an electronic copy of the Postcard Notice from  
20 the Claims Administrator, which will be provided free of charge, and, within seven  
21 days of receipt, email the Postcard Notice directly to all such persons and entities for  
22 which email addresses are available. If available, the broker or other nominee must  
23 also provide the Claims Administer with the e-mails of the beneficial owners. If a  
24 broker or other nominee opts to utilize procedure (b) or (c) above, then such broker  
25 or nominee must provide a statement to the Claims Administrator confirming that  
26 the mailing was made as directed and keep a record of the names and mailing  
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28 {00499459;1 }

[PROPOSED] ORDER PRELIMINARILY  
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1 addresses used. Upon full compliance with this Order, such brokers or other  
2 nominees may seek reimbursement of their reasonable expenses actually incurred in  
3 complying with this Order by providing the Claims Administrator with proper  
4 documentation supporting the expenses for which reimbursement is sought, up to a  
5 maximum of \$0.05 plus postage at the current pre-sort rate used by the Claims  
6 Administrator per Postcard Notice mailed; \$0.05 per Postcard Notice emailed; or  
7 \$0.05 per name, address, and email address provided to the Claims Administrator.  
8 Such properly documented expenses incurred by brokers or other nominees in  
9 compliance with the terms of this Order shall be paid from the Settlement Fund, with  
10 any disputes as to the reasonableness or documentation of expenses incurred subject  
11 to review by the Court.

12 10. **CAFA Notice** – As provided in the Stipulation, Defendants shall serve  
13 the notice required under the Class Action Fairness Act, 28 U.S.C. § 1715 *et seq.*  
14 (“CAFA”) no later than ten (10) calendar days following the filing of the Stipulation  
15 with the Court. Defendants are solely responsible for the costs of the CAFA notice  
16 and administering the CAFA notice. No later than five (5) business days before the  
17 Settlement Hearing, Defendants shall cause to be served on Lead Counsel and filed  
18 with the Court proof, by affidavit or declaration, regarding compliance with 28  
19 U.S.C. § 1715(b).

20 11. **Participation in the Settlement** – Settlement Class Members who  
21 wish to participate in the Settlement and to be eligible to receive a distribution from  
22 the Net Settlement Fund must complete and submit a Claim Form in accordance with  
23 the instructions contained therein. Unless the Court orders otherwise, all Claim  
24 Forms must be postmarked or received electronically no later than ninety (90)  
25 calendar days after the Notice Date. Notwithstanding the foregoing, Lead Counsel  
26 may, at their discretion, accept for processing late claims, provided such acceptance  
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28 {00499459;1 }

1 does not delay the distribution of the Net Settlement Fund to the Settlement Class.  
2 By submitting a Claim, a person or entity shall be deemed to have submitted to the  
3 jurisdiction of the Court with respect to his, her, or its Claim and the subject matter  
4 of the Settlement.

5 12. In order to be entitled to participate in the recovery from the Net  
6 Settlement Fund after the Effective Date, each Claim Form submitted must satisfy  
7 the following conditions: (a) it must be properly completed, signed, and submitted  
8 in a timely manner in accordance with the provisions of the preceding paragraph; (b)  
9 it must be accompanied by adequate supporting documentation for the transactions  
10 and holdings reported therein, in the form of broker confirmation slips, broker  
11 account statements, an authorized statement from the broker containing the  
12 transactional and holding information found in a broker confirmation slip or account  
13 statement, or such other documentation as is deemed adequate by Lead Counsel or  
14 the Claims Administrator; (c) if the person executing the Claim Form is acting in a  
15 representative capacity, a certification of his, her, or its current authority to act on  
16 behalf of the Settlement Class Member must be included in the Claim Form to the  
17 satisfaction of Lead Counsel or the Claims Administrator; and (d) the Claim Form  
18 must be complete and contain no material deletions or modifications of any of the  
19 printed matter contained therein and must be signed under penalty of perjury.

20 13. Any Settlement Class Member that does not timely and validly submit  
21 a Claim Form or whose Claim is not otherwise approved by the Court: (a) shall be  
22 deemed to have waived his, her, or its right to share in the Net Settlement Fund; (b)  
23 shall be forever barred from participating in any distributions therefrom; (c) shall be  
24 bound by the provisions of the Stipulation and the Settlement and all proceedings,  
25 determinations, orders, and judgments in the Action relating thereto, including,  
26 without limitation, the Judgment and the Releases provided for therein, whether  
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1 favorable or unfavorable to the Settlement Class; and (d) will be barred from  
2 commencing, maintaining, or prosecuting any of the Released Plaintiffs' Claims  
3 against each and all of the Defendants' Releasees, as more fully described in the  
4 Stipulation and the Internet Notice. Notwithstanding the foregoing, late Claim Forms  
5 may be accepted for processing as set forth in paragraph 11 above.

6 14. **Exclusion From the Settlement Class** – All Settlement Class  
7 Members shall be bound by all determinations and judgments in this Action, whether  
8 favorable or unfavorable, unless such persons or entities request to be excluded, or  
9 “opt out,” from the Settlement Class. Any member of the Settlement Class who  
10 wishes to exclude himself, herself, or itself from the Settlement Class must request  
11 exclusion in writing within the time and in the manner set forth in the Internet Notice,  
12 which shall provide that: (a) any such request for exclusion from the Settlement  
13 Class must be mailed or delivered, such that it is received no later than fifteen (15)  
14 business days prior to the Settlement Hearing, to: Funko, Inc. Securities Litigation,  
15 c/o Strategic Claims Services, 600 N. Jackson St., Suite 205, P.O. Box 230, Media,  
16 PA 19063 and (b) each request for exclusion must (i) state the name, address, and  
17 telephone number of the person or entity requesting exclusion, and in the case of  
18 entities, the name and telephone number of the appropriate contact person; (ii) state  
19 that such person or entity “requests exclusion from the Settlement Class in *Ferreira,*  
20 *et al. v. Funko, Inc., et al.*, 2:20-cv-02319-VAP-MAAx (C.D. Cal.)”; (iii) state the  
21 number of Funko common shares that the person or entity requesting exclusion (A)  
22 owned as of the opening of trading on August 8, 2019 and (B) purchased and/or sold  
23 during the Class Period, as well as the dates and prices of each such purchase and  
24 sale; and (iv) be signed by the person or entity requesting exclusion or an authorized  
25 representative. A request for exclusion shall not be effective unless it provides all  
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[PROPOSED] ORDER PRELIMINARILY  
APPROVING SETTLEMENT AND AUTHORIZING  
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Case No. 2:20-cv-02319-VAP-(MAAx)

1 the required information and is received within the time stated above or is otherwise  
2 accepted by the Court.

3 15. Any person or entity who or which timely and validly requests  
4 exclusion in compliance with the terms stated in this Order and is excluded from the  
5 Settlement Class shall not be a Settlement Class Member, shall not be bound by the  
6 terms of the Settlement or any orders or judgments in the Action, and shall not  
7 receive any payment out of the Net Settlement Fund.

8 16. Any Settlement Class Member who or which does not timely and  
9 validly request exclusion from the Settlement Class in the manner stated in this  
10 Order: (a) shall be deemed to have waived his, her, or its right to be excluded from  
11 the Settlement Class; (b) shall be forever barred from requesting exclusion from the  
12 Settlement Class in this or any other proceeding; (c) shall be bound by the provisions  
13 of the Stipulation and Settlement and all proceedings, determinations, orders, and  
14 judgments in the Action, including, but not limited to, the Judgment and the Releases  
15 provided for therein, whether favorable or unfavorable to the Settlement Class; and  
16 (d) will be barred from commencing, maintaining, or prosecuting any of the  
17 Released Plaintiffs' Claims against any Defendants' Releasees, as more fully  
18 described in the Stipulation and Internet Notice.

19 17. **Appearance and Objections at Settlement Hearing** – Any Settlement  
20 Class Member who or which does not request exclusion from the Settlement Class  
21 may enter an appearance in the Action, at his, her, or its own expense, individually  
22 or through counsel of his, her, or its own choice, by filing with the Clerk of Court  
23 and delivering a notice of appearance to both Lead Counsel and Settling Defendant's  
24 Counsel, at the addresses set forth in paragraph 18 below, such that it is received no  
25 later than twenty-one (21) calendar days prior to the Settlement Hearing, or as the  
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[PROPOSED] ORDER PRELIMINARILY  
APPROVING SETTLEMENT AND AUTHORIZING  
DISSEMINATION OF NOTICE OF SETTLEMENT  
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1 Court may otherwise direct. Any Settlement Class Member who does not enter an  
2 appearance will be represented by Lead Counsel.

3 18. Any Settlement Class Member who or which does not request exclusion  
4 from the Settlement Class may file a written objection to the proposed Settlement,  
5 the proposed Plan of Allocation, and/or Lead Counsel’s motion for attorneys’ fees  
6 and Litigation Expenses and appear to show cause, if he, she, or it has any cause,  
7 why the proposed Settlement, the proposed Plan of Allocation, and/or Lead  
8 Counsel’s motion for attorneys’ fees and Litigation Expenses should not be  
9 approved; *provided, however*, that no Settlement Class Member shall be heard or  
10 entitled to contest the approval of the terms and conditions of the proposed  
11 Settlement, the proposed Plan of Allocation, and/or the motion for Attorneys’ Fees  
12 and Litigation Expenses unless that person or entity has filed a written objection with  
13 the Court and served copies of such objection on Lead Counsel and Settling  
14 Defendants’ Counsel at the addresses set forth below such that they are received no  
15 later than twenty-one (21) calendar days prior to the Settlement Hearing.

16 **Lead Counsel**

17 Bernstein Liebhard LLP  
18 Stephanie M. Beige  
19 10 East 40<sup>th</sup> St., 28<sup>th</sup> Floor  
New York, NY 10016

**Settling Defendants’ Counsel**

Latham & Watkins LLP  
Kevin M. McDonough  
1271 Avenue of the Americas  
New York, NY 10020

20 **Pomerantz LLP**

21 Michael J. Wernke  
22 600 Third Avenue, 20th Floor  
New York, NY 10016

23  
24 19. Any objections, filings, and other submissions by the objecting  
25 Settlement Class Member must: (a) state the name, address, and telephone number  
26 of the person or entity objecting and must be signed by the objector; (b) state with  
27 specificity the grounds for the Settlement Class Member’s objection, including any

28 {00499459;1 }

1 legal and evidentiary support the Settlement Class Member wishes to bring to the  
2 Court's attention and whether the objection applies only to the objector, to a specific  
3 subset of the Settlement Class, or to the entire Settlement Class; and (c) include  
4 documents sufficient to prove membership in the Settlement Class, including  
5 documents showing the number of shares of Funko common stock that the objecting  
6 Settlement Class Member (i) owned as of the opening of trading on August 8, 2019  
7 and (ii) purchased and/or sold during the Class Period, as well as the dates and prices  
8 of each such purchase and sale. Documentation establishing membership in the  
9 Settlement Class must consist of copies of brokerage confirmation slips or monthly  
10 brokerage account statements, or an authorized statement from the objector's broker  
11 containing the transactional and holding information found in a broker confirmation  
12 slip or account statement. Objectors who enter an appearance and desire to present  
13 evidence at the Settlement Hearing in support of their objection must include in their  
14 written objection or notice of appearance the identity of any witnesses they may call  
15 to testify and any exhibits they intend to introduce into evidence at the hearing.

16         20. Any Settlement Class Member who or which does not make his, her, or  
17 its objection in the manner provided herein shall be deemed to have waived his, her,  
18 or its right to object to any aspect of the proposed Settlement, the proposed Plan of  
19 Allocation, and Lead Counsel's motion for an award of attorneys' fees and Litigation  
20 Expenses and shall be forever barred and foreclosed from objecting to the fairness,  
21 reasonableness, or adequacy of the Settlement, the Plan of Allocation, or the  
22 requested attorneys' fees and Litigation Expenses, or from otherwise being heard  
23 concerning the Settlement, the Plan of Allocation, or the requested attorneys' fees  
24 and Litigation Expenses in this or any other proceeding. Settlement Class Members  
25 do not need to appear at the Settlement Hearing or take any other action to indicate  
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1 their approval of the Settlement, the Plan of Allocation, or the application for  
2 attorneys' fees and Litigation Expenses.

3 21. **Stay and Temporary Injunction** – Until otherwise ordered by the  
4 Court, the Court stays all proceedings in the Action other than proceedings necessary  
5 to carry out or enforce the terms and conditions of the Stipulation. Pending final  
6 determination of whether the Settlement should be approved, the Court bars and  
7 enjoins Lead Plaintiffs and all other members of the Settlement Class from  
8 commencing or prosecuting, directly or indirectly, any and all of the Released  
9 Plaintiffs' Claims against each and all of the Defendants' Releasees.

10 22. **Settlement Administration Fees and Expenses** – All reasonable costs  
11 incurred in identifying Settlement Class Members and notifying them of the  
12 Settlement as well as in administering the Settlement shall be paid as set forth in the  
13 Stipulation without further order of the Court.

14 23. **Settlement Fund** – The contents of the Settlement Fund held by the  
15 Escrow Agent at Signature Bank shall be deemed and considered to be *in custodia*  
16 *legis* of the Court and shall remain subject to the jurisdiction of the Court until such  
17 time as they shall be distributed pursuant to the Stipulation and/or further order(s) of  
18 the Court.

19 24. **Taxes** – Lead Counsel is authorized and directed to prepare any tax  
20 returns and any other tax reporting form for, or in respect to, the Settlement Fund, to  
21 pay from the Settlement Fund any Taxes owed with respect to the Settlement Fund,  
22 and to otherwise perform all obligations with respect to Taxes and any reporting or  
23 filings in respect thereof without further order of the Court in a manner consistent  
24 with the provisions of the Stipulation.

25 25. **Plan of Allocation and Motion for Attorneys' Fees and Litigation**  
26 **Expenses** – Defendants' Releasees shall have no responsibility or liability for (i) the

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{00499459;1 }

[PROPOSED] ORDER PRELIMINARILY  
APPROVING SETTLEMENT AND AUTHORIZING  
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1 Plan of Allocation, (ii) any actions of the Escrow Agent, (iii) any distributions from  
2 the Net Settlement Fund, or (iv) any application for attorneys' fees or Litigation  
3 Expenses submitted by Lead Counsel or Lead Plaintiffs. The Court will consider  
4 the Plan of Allocation and any applications for attorneys' fees or Litigation Expenses  
5 separately from the fairness, reasonableness, and adequacy of the Settlement. Any  
6 order or proceeding relating to the Plan of Allocation or any application for  
7 attorneys' fees or expenses, or any appeal from any order relating thereto or reversal  
8 or modification thereof, shall not operate to terminate or cancel the Stipulation, or  
9 affect or delay the finality of the Judgment approving the Stipulation and the  
10 settlement of the Action and Releases. At or after the Settlement Hearing, the Court  
11 shall determine whether the Plan of Allocation proposed by Lead Counsel and any  
12 application for attorneys' fees or payment of Litigation Expenses shall be approved.

13       26. **Termination of Settlement** – If the Settlement is terminated as  
14 provided in the Stipulation, the Settlement is not approved, or the Effective Date of  
15 the Settlement otherwise fails to occur, this Order shall be vacated, rendered null and  
16 void, and be of no further force and effect, except as otherwise provided by the  
17 Stipulation, and this Order shall be without prejudice to the rights of Lead Plaintiffs,  
18 the other Settlement Class Members, and Defendants, and the parties shall revert to  
19 their respective positions in the Action immediately prior to the execution of the  
20 Stipulation.

21       27. **Use of this Order** – Neither this Order, the Stipulation (whether or not  
22 consummated), including the exhibits thereto and the Plan of Allocation contained  
23 therein (or any other plan of allocation that may be approved by the Court), the  
24 negotiations leading to the execution of the Stipulation, nor any proceedings taken  
25 pursuant to or in connection with the Stipulation and/or approval of the Settlement  
26 (including any arguments proffered in connection therewith): (a) shall be offered

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28 {00499459;1 }

[PROPOSED] ORDER PRELIMINARILY  
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1 against any of the Defendants' Releasees as evidence of, or construed as, or deemed  
2 to be evidence of any presumption, concession, or admission by any of the  
3 Defendants' Releasees with respect to the truth of any fact alleged by Lead Plaintiffs  
4 or the validity of any claim that was or could have been asserted or the deficiency of  
5 any defense that has been or could have been asserted in this Action or in any other  
6 litigation, or of any liability, negligence, fault, or other wrongdoing of any kind of  
7 any of the Defendants' Releasees or in any way referred to for any other reason as  
8 against any of the Defendants' Releasees, in any arbitration proceeding or other civil,  
9 criminal, or administrative action or proceeding, other than such proceedings as may  
10 be necessary to effectuate the provisions of the Stipulation; (b) shall be offered  
11 against any of the Plaintiffs' Releasees, as evidence of, or construed as, or deemed  
12 to be evidence of any presumption, concession, or admission by any of the Plaintiffs'  
13 Releasees that any of their claims are without merit, that any of the Defendants'  
14 Releasees had meritorious defenses, or that damages recoverable under the  
15 Complaint would not have exceeded the Settlement Amount or with respect to any  
16 liability, negligence, fault, or wrongdoing of any kind, or in any way referred to for  
17 any other reason as against any of the Plaintiffs' Releasees, in any arbitration  
18 proceeding or other civil, criminal, or administrative action or proceeding, other than  
19 such proceedings as may be necessary to effectuate the provisions of the Stipulation;  
20 or (c) shall be construed against any of the Releasees as an admission, concession,  
21 or presumption that the consideration to be given under the Settlement represents the  
22 amount which could be or would have been recovered after trial; provided, however,  
23 that if the Stipulation is approved by the Court, the Parties and the Releasees and  
24 their respective counsel may refer to it to effectuate the protections from liability  
25 granted thereunder or otherwise to enforce the terms of the Settlement.

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[PROPOSED] ORDER PRELIMINARILY  
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1           28.    **Supporting Papers** – Lead Counsel shall file and serve the opening  
2 papers in support of the proposed Settlement, the proposed Plan of Allocation, and  
3 Lead Counsel’s motion for attorneys’ fees and Litigation Expenses no later than  
4 thirty-five (35) calendar days prior to the Settlement Hearing; and reply papers, if  
5 any, shall be filed and served no later than seven (7) calendar days prior to the  
6 Settlement Hearing.

7           29.    The Court’s orders entered during this Action relating to the  
8 confidentiality of information shall survive this Settlement.

9 SO ORDERED this \_\_\_\_ day of \_\_\_\_\_, 2022.

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The Honorable Virginia A. Phillips  
United States District Judge

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# EXHIBIT A-1

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

GILBERTO FERREIRA, Individually  
and On Behalf of All Others Similarly  
Situated,

Plaintiff,

v.

FUNKO, INC., et al.,

Defendants.

Case No. 2:20-cv-02319-VAP-(MAAx)

Judge: Hon. Virginia A. Phillips  
Courtroom 8A—8<sup>th</sup> Floor

**CLASS ACTION**

**INTERNET NOTICE OF PENDENCY AND PROPOSED SETTLEMENT  
OF CLASS ACTION**

**If you purchased shares of Funko, Inc. (“Funko”) on the open market during the period from August 8, 2019 to March 5, 2020 (the “Class Period”), you may be entitled to a payment from a class action settlement.**

*A federal court authorized this notice. This is not a solicitation from a lawyer.*

- **The purpose of this Notice is to inform you of the pendency of this securities class action (the “Action”), the proposed settlement of the Action (the “Settlement”), and a hearing to be held by the Court to consider: (i) whether the Settlement should be approved; (ii) whether the proposed plan for allocating the proceeds of the Settlement (the “Plan of Allocation”) should be approved; (iii) Lead Counsel’s application for attorneys’ fees and expenses; and (iv) Lead Plaintiffs’ applications for awards pursuant to the PSLRA. This Notice describes important rights you may have and what steps you must take if you wish to participate in the Settlement, wish to object, or wish to be excluded from the Settlement Class.<sup>1</sup>**

<sup>1</sup> All capitalized terms not otherwise defined in this notice shall have the meaning provided in the Stipulation and Agreement of Settlement, dated June 3, 2022 (the “Stipulation”), found at the Important Documents section of the Case Website, [www.strategicclaims.net/Funko](http://www.strategicclaims.net/Funko).

- 1 • If approved by the Court, the proposed Settlement will create a  
2 \$7,000,000 settlement fund, plus earned interest, for the benefit of  
3 eligible Settlement Class Members, less any attorneys’ fees, expenses,  
4 and reimbursements to Lead Plaintiffs that are awarded by the Court,  
5 Notice and Administration Expenses, and Taxes.
- 6 • The Settlement resolves all claims by Abdul Baker, Zhibin Zhang, and  
7 Huaiyu Zheng (collectively, “Lead Plaintiffs”) that have been asserted  
8 on behalf of the proposed Settlement Class in the litigation captioned  
9 *Ferreira v. Funko, Inc., et al.*, Case No. 2:20-cv-02319-VAP-(MAAx).

10 **If you are a Settlement Class Member, your legal rights will be affected by  
11 this Settlement whether you act or do not act.  
12 Please read this Notice carefully.**

<b>YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT</b>	
<b>SUBMIT A CLAIM FORM BY _____, 2022</b>	The only way to get a payment. <i>See</i> Question 8 below for details.
<b>EXCLUDE YOURSELF FROM THE SETTLEMENT CLASS BY _____, 2022</b>	Get no payment. This is the only option that, assuming your claim is timely brought, might allow you to ever bring or be part of any other lawsuit against Defendants and/or the other Defendants’ Releasees concerning the Released Claims. <i>See</i> Question 11 below for details.
<b>OBJECT BY _____, 2022</b>	Write to the Court about why you object to the Settlement, the Plan of Allocation, the Fee and Expense Application, or Lead Plaintiff awards. If you object, you will still be a member of the Settlement Class. <i>See</i> Question 14 below for details.
<b>GO TO A HEARING ON _____, 2022 AND FILE A NOTIC EOF INTENTION TO APPEAR BY _____, 2022</b>	Ask to speak in Court at the Settlement Fairness Hearing about the Settlement. <i>See</i> Question 18 below for details.
<b>DO NOTHING</b>	Get no payment AND give up your rights to bring your own individual action.

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- These rights and options—**and the deadlines to exercise them**—are explained in this Notice.
- The Court in charge of this case still has to decide whether to approve the Settlement. Payments will be made to all eligible Settlement Class Members who timely submit valid Claim Forms, if the Court approves the Settlement and after any appeals are resolved. Please be patient.

**SUMMARY OF THE NOTICE**

**Statement of the Settlement Class’s Recovery**

1. Subject to Court approval, Lead Plaintiffs, on behalf of the Settlement Class, have agreed to settle the Action in exchange for a payment of \$7,000,000 (the “Settlement Amount”), which will be deposited into an interest-bearing Escrow Account (the “Settlement Fund”). The Net Settlement Fund (as defined below) will be distributed to Settlement Class Members according to the Court-approved plan of allocation (the “Plan of Allocation” or “Plan”). The proposed Plan of Allocation is set forth on pages [\_\_-\_\_] below.

**Estimate of Average Amount of Recovery Per Share**

2. Based on Lead Plaintiffs’ consulting damages expert’s estimate of the number of shares of Funko common stock eligible to participate in the Settlement, and assuming that all such investors eligible to participate do so, Lead Plaintiffs estimate that the average recovery would be approximately \$0.332 per allegedly damaged share (before deduction of any Court-approved fees and expenses, such as attorneys’ fees and expenses, Taxes, and Notice and Administration Expenses). If the Court approves the Fee and Expense Application (discussed below), the average

1 recovery would be approximately \$0.244 per allegedly damaged share.<sup>2</sup> **Please note,**  
2 **however, that these average recovery amounts are only estimates, and**  
3 **Settlement Class Members may recover more or less than these estimated**  
4 **amounts.** An individual Settlement Class Member’s actual recovery will depend on,  
5 for example: (i) the total number of claims submitted; (ii) the amount of the Net  
6 Settlement Fund; (iii) when the Settlement Class Member purchased shares of Funko  
7 common stock on the open market; and (iv) whether and when the Settlement Class  
8 Member sold the securities. *See* the Plan of Allocation beginning on page [\_\_\_] for  
9 information on the calculation of your Recognized Claim.

10 **Statement of Potential Outcome of Case if the Action Continued to be Litigated**

11           3.       The parties disagree about both liability and damages and do not agree  
12 on the damages that would be recoverable if Lead Plaintiffs were to prevail on each  
13 claim asserted against Defendants. The issues on which the parties disagree include,  
14 for example: (i) whether Defendants made any statements or omitted any facts that  
15 were materially false or misleading, or otherwise actionable under the federal  
16 securities laws; (ii) whether any such allegedly materially false or misleading  
17 statements or omissions were made with the required level of intent or recklessness;  
18 (iii) the amounts by which the prices of Funko common stock was allegedly  
19 artificially inflated; (iv) the extent to which factors such as general market, economic  
20 and industry conditions, influenced the trading prices of Funko common stock  
21 during the Class Period; and (v) whether or not Defendants’ allegedly false and  
22 misleading statements proximately caused the losses suffered by the Settlement  
23 Class.

24  
25  
26 \_\_\_\_\_  
27 <sup>2</sup> An allegedly damaged share might have been traded, and potentially damaged, more than  
28 once during the Class Period, and the average recovery indicated above represents the  
estimated average recovery for each share that allegedly incurred damages.

1           4. Defendants have denied and continue to deny any wrongdoing, deny  
2 that they have committed any act or omission giving rise to any liability or violation  
3 of law, and deny that Lead Plaintiffs and the Settlement Class have suffered any loss  
4 attributable to Defendants' alleged actions. While Lead Plaintiffs believe they have  
5 meritorious claims, they recognize that there are significant obstacles in the way to  
6 recovery.

7 **Statement of Attorneys' Fees and Expenses Sought**

8           5. Lead Counsel will apply to the Court for an award of attorneys' fees  
9 from the Settlement Fund in an amount not to exceed 25% of the Settlement Fund,  
10 which includes any accrued interest. Lead Counsel will also apply for payment of  
11 litigation expenses incurred by Lead Counsel in prosecuting the Action in an amount  
12 not to exceed \$275,000, plus accrued interest, which will include an application  
13 pursuant to the Private Securities Litigation Reform Act of 1995 ("PSLRA") for the  
14 reasonable costs and expenses (including lost wages) of Lead Plaintiffs not to exceed  
15 \$18,000 each, directly related to their representation of the Settlement Class. If the  
16 Court approves Lead Counsel's Fee and Expense Application, the average amount  
17 of fees and expenses, assuming claims are filed for all shares eligible to participate  
18 in the Settlement, will be approximately \$0.244 per allegedly damaged share of  
19 Funko common stock. A copy of the Fee and Expense Application will be posted on  
20 [www.strategicclaims.net/Funko/](http://www.strategicclaims.net/Funko/) after it has been filed with the Court.

21 **Reasons for the Settlement**

22           6. For Lead Plaintiffs, the principal reason for the Settlement is the  
23 guaranteed cash benefit to the Settlement Class. This benefit must be compared to  
24 the uncertainty of being able to prove the allegations in the SAC (as defined below);  
25 the risk that the Court may grant some or all of the anticipated motions to be filed  
26 by Defendants; the risks of litigation, especially in complex securities actions like  
27

1 this; as well as the difficulties and delays inherent in such litigation (including any  
2 trial and appeals). For Funko, which denies all allegations of wrongdoing or liability  
3 whatsoever and denies that Settlement Class Members were damaged, the principal  
4 reasons for entering into the Settlement are to end the burden, expense, uncertainty,  
5 and risk of further litigation.

6 **Identification of Attorneys' Representatives**

7 7. Lead Plaintiffs and the Settlement Class are represented by Lead Counsel,  
8 Bernstein Liebhard LLP, Stephanie M. Beige, Esq., 10 East 40th Street, New York,  
9 NY 10016, (212) 779-1414, funkoinfo@bernlieb.com, and Pomerantz LLP, Michael  
10 J. Wernke, 600 Third Avenue, 20th Floor, New York, NY 10016, (212) 661-1100,  
11 mjwernke@pomlaw.com.

12 8. Further information regarding the Action, the Settlement, and this  
13 Notice may be obtained by contacting the Claims Administrator:

14 *Funko, Inc. Securities Litigation*  
15 c/o Strategic Claims Services  
16 600 N. Jackson St., Suite 205  
17 P.O. Box 230  
18 Media, PA 19063  
19 Tel.: 866-274-4004  
20 Fax: (610) 565-7985  
21 info@strategicclaims.net

22 or Lead Counsel, or visiting the Case Website at [www.strategicclaims.net/Funko/](http://www.strategicclaims.net/Funko/).

23 **Please Do Not Call the Court with Questions About the Settlement.**

24 **[END OF PSLRA COVER PAGE]**

1 **BASIC INFORMATION**

2 **1. Why did I get this Notice?**

3  
4 9. You or someone in your family, or an investment account for which  
5 you serve as a custodian, may have purchased shares of Funko common stock on the  
6 open market during the Class Period from August 8, 2019 to March 5, 2020, and  
7 may be a Settlement Class Member. This Internet Notice explains the Action, the  
8 Settlement, Settlement Class Members’ legal rights, what benefits are available, who  
9 is eligible for them, and how to get them. Receipt of this Notice does not mean that  
10 you are a Member of the Settlement Class or that you will be entitled to receive a  
11 payment. **If you wish to be eligible for a payment, you are required to submit**  
12 **the Claim Form. See Question 8 below.**

13 10. The Court directed that this Notice be sent to Settlement Class Members  
14 to inform them of the terms of the proposed Settlement and about all of their options,  
15 before the Court decides whether to approve the Settlement at the upcoming hearing  
16 to consider the fairness, reasonableness, and adequacy of the Settlement, the  
17 proposed Plan of Allocation, and Lead Counsel’s Fee and Expense Application (the  
18 “Settlement Fairness Hearing”).

19 11. The Court in charge of the Action is the United States District Court for  
20 the Central District of California, and the case is known as *Ferreira v. Funko, Inc.,*  
21 *et al.*, Case No. 2:20-cv-092319-VAP-(MAAx). The Action is assigned to the  
22 Honorable Virginia A. Phillips, United States District Judge.

23 **2. What is this case about and what happened so far?**

24  
25 12. Funko is incorporated under the laws of Delaware with its principal  
26 executive offices located in Everett, Washington. Funko’s common stock trades on  
27 the NASDAQ under the symbol “FNKO.” Funko is a pop culture consumer products  
28

1 company that creates vinyl figures, action toys, plush, accessories, apparel, and  
2 homewares relating to movies, TV shows, video games, musicians, and sports teams.  
3 Funko is the world’s largest seller of pop culture collectibles and is best known for  
4 its Pop! line of vinyl collectible figures, which account for over three-quarters of the  
5 Company’s sales. Lead Plaintiffs allege that the Defendants made false and  
6 misleading statements and omissions during the Class Period regarding the  
7 Company’s financial projections and the state of the Company’s inventory.

8 13. Beginning on March 10, 2020, three similar actions were filed asserting  
9 violations of the federal securities laws against Defendants: (1) the above-captioned  
10 action (the “*Ferreira* Action”); (2) *Nahas v. Funko, Inc., et al.*, No. 2:20-cv-03130  
11 (C.D. Cal.) (the “*Nahas* Action”); and (3) *Dachev v. Funko, Inc., et al.*, No. 2:20-cv-  
12 00544 (W.D. Wash.) (the “*Dachev* Action”).

13 14. On June 11, 2020, the Court entered an Order (ECF No. 58): (i)  
14 consolidating the *Nahas* Action with the *Ferreira* Action; (ii) appointing Abdul  
15 Baker, Zhibin Zhang, and Huaiyu Zheng as Lead Plaintiffs for the proposed class;  
16 and (iii) appointing Bernstein Liebhard LLP and Pomerantz LLP as Co-Lead  
17 Counsel.

18 15. On July 31, 2020, Lead Plaintiffs filed a First Consolidated Amended  
19 Class Action Complaint, alleging violations of Sections 10(b), 20(a), and 20A of the  
20 Securities Exchange Act of 1934 (“Exchange Act”), and Rule 10b-5 promulgated  
21 thereunder, against Defendants on behalf of all persons and entities that purchased  
22 or otherwise acquired Funko securities between August 8, 2019 and March 5, 2020,  
23 inclusive, and who were damaged thereby (the “Class”).

24 16. On October 2, 2020, the Settling Defendants and the ACON Defendants  
25 (defined below) filed separate motions to dismiss the First Consolidated Amended  
26 Complaint.

27  
28

1           17. On December 1, 2020 and January 14, 2021, respectively, Lead  
2 Plaintiffs filed an omnibus memorandum and a corrected omnibus memorandum in  
3 opposition to the motions to dismiss the First Amended Consolidated Complaint.

4           18. On December 30, 2020, the Settling Defendants and the ACON  
5 Defendants filed separate reply briefs in support of their respective motions to  
6 dismiss the First Consolidated Amended Complaint.

7           19. On January 22, 2021, the Settling Defendants filed a supplemental reply  
8 brief in support of their motion to dismiss in response to Lead Plaintiffs' corrected  
9 omnibus memorandum of law.

10           20. On January 26, 2021, the Court directed the parties to submit  
11 supplemental briefing addressing the impact of the Ninth Circuit's decision, *Wochos*  
12 *v. Tesla, Inc.*, 985 F.3d 1180 (9th Cir. 2021) on Defendants' pending motions to  
13 dismiss.

14           21. On January 29, 2021, the parties filed their supplemental briefing in  
15 accordance with the Court's January 26, 2021 Order.

16           22. On February 25, 2021, the Court granted Defendants' motions to  
17 dismiss the First Consolidated Amended Complaint. The Court also granted Lead  
18 Plaintiffs leave to amend.

19           23. On March 29, 2021, Lead Plaintiffs filed the operative, Consolidated  
20 Second Amended Complaint (the "SAC") against the Defendants.

21           24. On May 7, 2021, the Settling Defendants and the ACON Defendants  
22 filed separate motions to dismiss the SAC.

23           25. On June 11, 2021, Lead Plaintiffs filed oppositions to both motions to  
24 dismiss the SAC.

25           26. On June 16, 2021, the Court issued an Order directing Defendants to  
26 address the impact of *In re Alphabet, Inc. Sec. Litig.*, 1 F.4th 687 (9th Cir. 2021),  
27 *cert. denied sub nom. Alphabet Inc. v. Rhode Island*, 142 S. Ct. 1227 (2022)

28

1 (“*Alphabet*”) on Defendants’ motions to dismiss the SAC in their respective reply  
2 briefs. The Court also granted Lead Plaintiffs leave to file a sur-reply addressing  
3 *Alphabet*.

4 27. On July 2, 2021, the Settling Defendants and the ACON Defendants  
5 filed separate reply memoranda in support of their respective motions to dismiss the  
6 SAC.

7 28. On July 16, 2021, Lead Plaintiffs filed a sur-reply in further support of  
8 their oppositions to the motions to dismiss the SAC.

9 29. On October 18, 2021, the Court issued a tentative ruling and heard oral  
10 argument on the motions to dismiss the SAC.

11 30. On October 22, 2021, the Court granted in part and denied in part the  
12 motions to dismiss the SAC.

13 31. On November 22, 2021, Defendants filed their Answers to the SAC.

14 32. Between December 2021 and March 2022, the parties engaged in  
15 preliminary discovery by filing their Joint Rule 26(f) Report, serving their respective  
16 Rule 26(a)(1) Initial Disclosures, negotiating and filing a Stipulated Protective Order  
17 and a Stipulated Discovery Order Governing the Production of Documents and  
18 Discovery of Electronically Stored Information, serving and responding to various  
19 demands for the production of documents and interrogatories, and engaging in a  
20 meet and confer with respect to Lead Plaintiffs’ Objections and Responses to the  
21 Settling Defendants’ Requests for Production of Documents and Interrogatories.

22 33. On April 11, 2022, the Parties engaged Michelle Yoshida, a well-  
23 respected and highly experienced mediator associated with Phillips ADR to assist  
24 them in exploring whether a negotiated resolution was possible. Thereafter, the  
25 Parties exchanged confidential mediation statements.

26 34. On April 27, 2022, the Parties engaged in a full-day mediation session  
27 before the Mediator. The Parties were able to reach a settlement in principle to  
28

1 release all claims against Defendants in return for a cash payment of seven million  
2 (\$7,000,000) for the benefit of the Settlement Class. A Memorandum of  
3 Understanding (the “MOU”) was entered into on April 29, 2022.

4 35. On May 2, 2022, the Parties informed the Court that they had reached  
5 a settlement in principle asked the Court to stay all deadlines.

6 36. On \_\_\_\_\_, 2022, the Court preliminary approved the  
7 Settlement, authorized this Notice to be disseminated to potential Settlement Class  
8 Members, and scheduled the Settlement Fairness Hearing to consider whether to  
9 grant final approval to the Settlement.

10 **3. Why is this a class action?**

11 37. In a class action, one or more persons or entities (in this case, Lead  
12 Plaintiffs), sue on behalf of people and entities who or which have similar claims.  
13 Together, these people and entities are a “class,” and each is a “class member.”  
14 Bringing a case, such as this one, as a class action allows the adjudication of many  
15 similar claims of persons and entities which might be too small to bring  
16 economically as separate actions. One court resolves the issues for all class members  
17 at the same time, except for those who exclude themselves, or “opt-out,” from the  
18 class.  
19

20 **4. What are the reasons for the Settlement?**

21 38. The Court did not finally decide in favor of Lead Plaintiffs or  
22 Defendants. Instead, the Parties agreed to a settlement that will end the Action. Lead  
23 Plaintiffs and Lead Counsel believe that the claims asserted in the Action have merit;  
24 however, Lead Plaintiffs and Lead Counsel recognize the expense and length of  
25 continued proceedings necessary to pursue their claims through trial and appeals, as  
26 well as the difficulties in establishing liability and damages. In light of the Settlement  
27 and the guaranteed cash recovery to the Settlement Class, Lead Plaintiffs and Lead  
28

1 Counsel believe that the proposed Settlement is fair, reasonable, and adequate, and  
2 in the best interests of the Settlement Class.

3 39. Defendants have denied and continue to deny any allegations of  
4 wrongdoing contained in the SAC and further deny that they did anything wrong,  
5 that Lead Plaintiffs or the Settlement Class suffered damages or that the price of  
6 Funko common stock was artificially inflated by reasons of alleged  
7 misrepresentations, nondisclosures or otherwise. The Settlement should not be seen  
8 as an admission or concession on the part of Defendants. Funko has taken into  
9 account the burden, expense, uncertainty, distraction, and risks inherent in any  
10 litigation and has concluded that it is desirable to settle upon the terms and conditions  
11 set forth in the Stipulation.

12 **5. How do I know if I am a part of the Settlement Class?**

13 40. The Court directed, for the purposes of the proposed Settlement, that  
14 everyone who fits the following description is a Settlement Class Member and is  
15 subject to the Settlement unless they are an excluded person (*see* Question 6 below)  
16 or take steps to exclude themselves from the Settlement Class (*see* Question 11  
17 below): ***all Persons and entities who or which purchased or otherwise acquired***  
18 ***shares of Funko publicly traded common stock during the period from August 8,***  
19 ***2019 to March 5, 2020, and who were damaged thereby.***

20 41. Receipt of this Notice does not mean that you are a Settlement Class  
21 Member. The Parties do not have access to your transactions in Funko common  
22 stock. Please check your records or contact your broker to see if you are a member  
23 of the Settlement Class. If one of your mutual funds purchased Funko common stock  
24 during the Class Period, that alone does not make you a Settlement Class Member.  
25 You are a Settlement Class Member only if you individually purchased or acquired  
26 Funko common stock during the Class Period.  
27

**6. Are there exceptions to the definition of the Settlement Class and to being included?**

42. Yes. There are some individuals and entities who or which are excluded from the Settlement Class by definition. Excluded from the Settlement Class are: (i) Defendants; (ii) members of the Immediate Family of each Individual Defendant; (iii) any person who was an Officer or director of Funko; (iv) any firm or entity in which any Defendant has or had a controlling interest; (v) any person who participated in the wrongdoing alleged; (vi) Defendants' liability insurance carriers; (vii) any affiliates, parents, or subsidiaries of Funko; (viii) all Funko's plans that are covered by ERISA; and (ix) the legal representatives, agents, affiliates, heirs beneficiaries, successors-in interests, or assigns of any excluded person or entity in their respective capacity as such.

43. If you sold all of your Funko common stock prior to the first alleged corrective disclosure, which occurred after the market closed on February 5, 2020 and made no subsequent purchases from February 5, 2020 through March 5, 2020, you are not a member of the Settlement Class because you were not damaged.

44. Also excluded from the Settlement Class will be any Person who or which timely and validly seeks exclusion from the Settlement Class in accordance with the procedures described in Question 11 below or whose request is otherwise allowed by the Court.

**THE SETTLEMENT BENEFITS**

**7. What does the Settlement provide?**

45. In exchange for the Settlement and the release of the Released Claims against the Defendants, Funko has agreed to create a \$7,000,000 cash fund, which may accrue interest, to be distributed, after deduction of Court-awarded attorneys' fees and litigation expenses, PSLRA awards to Lead Plaintiffs, Notice and

1 Administration Expenses, Taxes, and any other fees or expenses approved by the  
2 Court (the “Net Settlement Fund”), among all Settlement Class Members who  
3 submit valid Claim Forms and are found to be eligible to receive a distribution from  
4 the Net Settlement Fund (“Authorized Claimants”).

5 **8. How can I receive a payment?**

6  
7 46. To qualify for a payment, you must fill out a Claim Form online at  
8 [www.strategicclaims.net/Funko/](http://www.strategicclaims.net/Funko/) (“Case Website”). Read the instructions carefully,  
9 fill out the Claim Form, and sign it in the location indicated. The Case Website also  
10 includes instructions on downloading your transaction data directly from your  
11 brokerage so that you do not have to manually enter each transaction. **The deadline**  
12 **to submit your Claim through the Case Website is 11:59 p.m. EST on**  
13 \_\_\_\_\_, **2022.**

14 47. If you are unable to fill out a Claim Form online, please print the Claim  
15 Form entitled “Proof of Claim and Release Form” (also called the “Claim Form”)  
16 available on the Case Website, fill it out and mail it to the Claims Administrator at  
17 the address below, **postmarked no later than \_\_\_\_\_, 2022:**

18 Funko, Inc. Securities Litigation  
19 c/o Strategic Claims Services  
20 P.O. Box 230  
21 600 N. Jackson St., Ste 205  
22 Media, PA 19063  
23 Tel.: 866-274-4004  
24 Fax: 610-565-7985  
25 info@strategicclaims.net

26 48. Please note that if you choose to print and mail a form, you will need  
27 to manually enter each transaction.

28 49. Typically, most class members submit electronic claims. Submitting a  
claim by mail increases the time necessary to process the Claim.



1 *re Funko, Inc. Derivative Litigation*, Lead Case No. 20-cv-03740-VAP (C.D. Cal.),  
2 and *Smith v. Mariotti et al.*, (C.D. Cal. No. 22-cv-03155-VAP (C.D. Cal.); and (iii)  
3 any claims of persons or entities who or which submits a request for exclusion from  
4 the Settlement Class in connection with the Notice (“Excluded Plaintiffs’ Claims”).  
5 “Released Plaintiffs’ Claims” include “Unknown Claims” as defined herein.

6 (b) “**Defendants’ Releasees**” means Defendants, Russell Nickel, and  
7 all other of their current and former parents, affiliates, subsidiaries, related entities,  
8 officers, directors, agents, successors, predecessors, assigns, assignees, partnerships,  
9 partners, principals, trustees, trusts, employees, Immediate Family members,  
10 insurers, advisors, estates, heirs, executors, administrators, shareholders, joint  
11 ventures, members, managers, supervisors, contractors, consultants, representatives,  
12 attorneys, and legal or personal representatives of the foregoing, in their capacities  
13 as such.

14 (c) “**Unknown Claims**” means any Released Plaintiffs’ Claims which  
15 Lead Plaintiffs or any other Settlement Class Member does not know or suspect to  
16 exist in his, her, or its favor at the time of the release of such claims, and any  
17 Released Defendants’ Claims which any Defendant does not know or suspect to exist  
18 in his, her, or its favor at the time of the release of such claims, which if known by  
19 him, her, or it, might have affected his, her, or its decision(s) with respect to this  
20 Settlement. With respect to any and all Released Claims, the parties stipulate and  
21 agree that, upon the Effective Date of the Settlement, Lead Plaintiffs and Defendants  
22 shall expressly waive, and each of the other Settlement Class Members shall be  
23 deemed to have waived, and by operation of the Judgment, shall have expressly  
24 waived, any and all provisions, rights and benefits conferred by any law of any state  
25 or territory of the United States, or principle of common law, which is similar,  
26 comparable, or equivalent to Cal. Civ. Code § 1542, which provides:

27 **A general release does not extend to claims that the creditor or**  
28 **releasing party does not know or suspect to exist in his or her favor**

1           **at the time of executing the release and that, if known by him or her,**  
2           **would have materially affected his or her settlement with the debtor**  
3           **or released party.**

4           Lead Plaintiffs, any Settlement Class Member, or any Defendant may hereafter  
5           discover facts, legal theories, or authorities in addition to or different from those  
6           which any of them now knows or believes to be true with respect to the subject matter  
7           of the Released Plaintiffs' Claims and the Released Defendants' Claims, but the  
8           parties shall expressly, fully, finally, and forever waive, compromise, settle,  
9           discharge, extinguish, and release, and each Settlement Class Member shall be  
10          deemed to have waived, compromised, settled, discharged, extinguished, and  
11          released, and upon the Effective Date and by operation of the Judgment shall have  
12          waived, comprised, settled, discharged, extinguished, and released, fully, finally, and  
13          forever, any and all Released Plaintiffs' Claims and Released Defendants' Claims,  
14          as applicable, known or unknown, suspected or unsuspected, contingent or absolute,  
15          accrued or unaccrued, apparent or unapparent, which now exist, or heretofore existed,  
16          or may hereafter exist, without regard to the subsequent discovery or existence of  
17          such different or additional facts, legal theories, or authorities. The Parties  
18          acknowledge, and each of the other Settlement Class Members shall be deemed by  
19          operation of law to have acknowledged, that the foregoing waiver was separately  
20          bargained for and a key element of the Settlement.

21           53.    The "Effective Date" will occur when an Order entered by the Court  
22           approving the Settlement becomes Final and is not subject to appeal. If you remain  
23           a member of the Settlement Class, all of the Court's orders, whether favorable or  
24           unfavorable, will apply to you and legally bind you. Upon the Effective Date,  
25           Defendants will also provide a release of any claims against Lead Plaintiffs and the  
26           Settlement Class arising out of or related to the institution, prosecution, or settlement  
27           of the claims in the Action.

28                   **EXCLUDING YOURSELF FROM THE SETTLEMENT CLASS**

1 54. If you do not want to be eligible to receive a payment from the  
2 Settlement, but you want to keep any right you may have to sue or continue to sue  
3 the Released Defendants on your own for the Released Claims, then you must take  
4 steps to remove yourself from the Settlement Class. This is called excluding yourself  
5 or “opting out.” **Please note: if you bring your own claims, Defendants will have  
6 the right to seek their dismissal. Also, Funko may terminate the Settlement if  
7 Settlement Class Members who purchased in excess of a certain amount of  
8 shares of Funko common stock seek exclusion from the Settlement Class.**

9 **11. How do I exclude myself from the Settlement Class?**

10 55. To exclude yourself from the Settlement Class, you must mail a signed  
11 letter stating that you “request to be excluded from the Settlement Class in *Ferreira*  
12 *v. Funko, Inc.*, Case No. 2:20-cv-02319-VAP-(MAAx) (C.D. Cal.)” You cannot  
13 exclude yourself by telephone or e-mail. Each request for exclusion must also: (i)  
14 state the name, address, and telephone number of the person or entity requesting  
15 exclusion; (ii) state the number of shares of Funko common stock that the person or  
16 entity purchased, acquired, and sold on the open market during the Class Period, as  
17 well as the dates and prices of each such purchase, acquisition, and sale; and (iii) be  
18 signed by the person or entity requesting exclusion or an authorized representative.  
19 A request for exclusion must be mailed, so that it is **received no later than**  
20 \_\_\_\_\_, \_\_\_\_\_, to:

21  
22 *Funko, Inc. Securities Litigation*  
23 c/o Strategic Claims Services  
24 600 N. Jackson St., Suite 205  
25 P. O. Box 230  
26 Media, PA 19063

27 **Your exclusion request must comply with these requirements in order to be  
28 valid, unless it is otherwise accepted by the Court.**



1 Lead Counsel will also seek payment of litigation expenses incurred in the  
2 prosecution of the Action of no more than \$275,000.00, plus accrued interest, which  
3 will include an application in accordance with the PSLRA for the reasonable costs  
4 and expenses of Lead Plaintiffs of no more than \$18,000 each directly related to their  
5 representation of the Settlement Class.

6

7 **OBJECTING TO THE SETTLEMENT, THE PLAN OF ALLOCATION, OR**  
8 **THE FEE AND EXPENSE APPLICATION**

9

**14. How do I tell the Court that I do not like something about the proposed Settlement?**

10

11 59. If you are a Settlement Class Member, you can object to the Settlement  
12 or any of its terms, the proposed Plan of Allocation, and/or the Fee and Expense  
13 Application. You can ask the Court not to approve the Settlement, but you cannot  
14 ask the Court to order a different settlement; the Court can only approve or deny this  
15 Settlement. If the Court denies approval of the Settlement, no payments will be made  
16 to Settlement Class Members, the parties will return to the position they were in  
17 before the Settlement was agreed to, and the Action will continue.

18

19 60. To object, you must send a signed letter stating that you object to the  
20 proposed Settlement, the proposed Plan of Allocation, and/or the Fee and Expense  
21 Application in “*Ferreira v. Funko, Inc.*, Case No. 2:20-cv-02319-VAP-(MAAx)  
22 (C.D. Cal.)” Your objection must state why you are objecting and whether your  
23 objection applies only to you, a subset of the Settlement Class, or the entire  
24 Settlement Class. The objection must also: (i) include the name, address, and  
25 telephone number of the person or entity objecting; (ii) contain a statement of the  
26 objection and the specific reasons for it, including any legal and evidentiary support  
27 (including witnesses) the Settlement Class Member wishes to bring to the Court’s  
28 attention; and (iii) documentation identifying the number of shares of Funko

28

1 common stock the person or entity purchased, acquired, and sold on the open market  
2 during the Class Period, as well as the dates and prices of each such purchase,  
3 acquisition, and sale. Unless otherwise ordered by the Court, any Settlement Class  
4 Member who does not object in the manner described in this Notice will be deemed  
5 to have waived any objection and will be forever foreclosed from making any  
6 objection to the proposed Settlement, the Plan of Allocation, and/or Lead Counsel’s  
7 Fee and Expense Application. Your objection must be filed with the Court at the  
8 address below, either by mail or in person, **no later than \_\_\_\_\_, 2022**  
9 and be mailed or delivered to each of the following counsel so that it is received **no**  
10 **later than \_\_\_\_\_, 2022:**

Court	Lead Counsel	Defendants’ Counsel
<p data-bbox="261 877 683 1056"><b>Clerk of the Court</b> United States District Court Central District of California 350 W 1st Street, 6th Floor Los Angeles, CA 90012</p>	<p data-bbox="683 877 1089 1020"><b>Bernstein Liebhard LLP</b> Attn: Stephanie M. Beige 10 East 40th Street New York, NY 10016</p> <p data-bbox="683 1062 1089 1201"><b>Pomerantz LLP</b> Attn: Michael J. Wernke 600 Third Avenue, 20th Fl New York, NY 10016</p>	<p data-bbox="1089 877 1511 1020"><b>Latham &amp; Watkins LLP</b> Attn: Kevin M. McDonough 1271 Ave. of the Americas New York, NY 10020</p>

18  
19 **15. What is the difference between objecting and seeking exclusion?**

20 61. Objecting is telling the Court that you do not like something about the  
21 proposed Settlement, Plan of Allocation, or Lead Counsel’s Fee and Expense  
22 Application. You can still recover money from the Settlement. You can object only  
23 if you stay in the Settlement Class. Excluding yourself is telling the Court that you  
24 do not want to be part of the Settlement Class. If you exclude yourself from the  
25 Settlement Class, you have no basis to object because the Settlement and the Action  
26 no longer affect you.

27 62.

1 **THE SETTLEMENT FAIRNESS HEARING**

2 **16. When and where will the Court decide whether to approve the**  
3 **proposed Settlement?**

4 63. The Court will hold the Settlement Fairness Hearing on \_\_\_\_\_,  
5 \_\_\_\_\_ at \_\_\_\_\_ .m., in Courtroom 8A, United States District Court for the Central  
6 District of California, First Street U.S. Courthouse, 350 W. 1st Street, 8th Floor, Los  
7 Angeles, CA 90012. At this hearing, the Court will consider, whether: (i) the  
8 Settlement is fair, reasonable and adequate, and should be finally approved; (ii) the  
9 Plan of Allocation is fair and reasonable, and should be approved; (iii) Lead  
10 Counsel’s Fee and Expense Application is reasonable and should be approved; and  
11 (iv) whether Lead Plaintiffs’ applications for PSLRA awards should be approved.  
12 The Court will take into consideration any written objections filed in accordance  
13 with the instructions in Question 14 above. We do not know how long it will take  
14 the Court to make these decisions.

15 64. You should be aware that the Court may change the date and time of  
16 the Settlement Fairness Hearing, or hold the hearing telephonically, without another  
17 notice being sent to Settlement Class Members. If you want to attend the hearing,  
18 you should check with Lead Counsel beforehand to be sure that the date and/or time  
19 has not changed, check the Settlement website at [www.strategicclaims.net/Funko/](http://www.strategicclaims.net/Funko/),  
20 or periodically check the Court’s website at <https://www.cand.uscourts.gov/cm-ecf>  
21 to see if the Settlement Hearing stays as calendared or is changed. Subscribers to  
22 PACER, a fee-based service, can also view the Court’s docket for the Action for  
23 updates about the Settlement Hearing through the Court’s on-line Case  
24 Management/Electronic Case Files System at <https://www.pacer.gov>.

25 **17. Do I have to come to the Settlement Hearing?**

1 65. No. Lead Counsel will answer any questions the Court may have.  
2 However, you are welcome to attend at your own expense. If you submit a valid and  
3 timely objection, the Court will consider it and you do not have to come to Court to  
4 discuss it. You may have your own lawyer attend (at your own expense), but it is not  
5 required. If you do hire your own lawyer, he or she must file and serve a Notice of  
6 Appearance in the manner described in the answer to Question 18 below **no later**  
7 **than \_\_\_\_\_, 2022.**

8 **18. May I speak at the Settlement Hearing?**

9  
10 66. You may ask the Court for permission to speak at the Settlement  
11 Fairness Hearing. To do so, you must include with your objection (see Question 14),  
12 **no later than \_\_\_\_\_, 2022** a statement that you, or your attorney, intend to  
13 appear in “*Ferreira v. Funko, Inc.*, Case No. 2:20-cv-02319-VAP-(MAAx) (C.D.  
14 Cal.)” Persons who intend to present evidence at the Settlement Hearing must also  
15 include in their objections the identities of any witnesses they may wish to call to  
16 testify and any exhibits they intend to introduce into evidence at the hearing. You  
17 may not speak at the Settlement Fairness Hearing if you exclude yourself or if you  
18 have not provided written notice in accordance with the procedures described in this  
19 Question 18 and Question 14 above.

20 **IF YOU DO NOTHING**

21 **19. What happens if I do nothing at all?**

22  
23 67. If you do nothing and you are a member of the Settlement Class, you  
24 will receive no money from this Settlement and you will be precluded from starting  
25 a lawsuit, continuing with a lawsuit, or being part of any other lawsuit against  
26 Defendants and the other Released Defendants concerning the Released Claims. To  
27 share in the Net Settlement Fund, you must submit a Claim Form (*see* Question 8  
28 above). To start, continue or be part of any other lawsuit against Defendants or any

1 other of the Released Defendants concerning the Released Claims in this case, to the  
2 extent it is otherwise permissible to do so, you must exclude yourself from the  
3 Settlement Class (*see* Question 11 above).

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## GETTING MORE INFORMATION

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### **20. Are there more details about the Settlement?**

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68. This Notice summarizes the proposed Settlement. More details are in the Stipulation. Lead Counsel’s motions in support of final approval of the Settlement, the request for attorneys’ fees and litigation expenses, and approval of the proposed Plan of Allocation will be filed with the Court **no later than** \_\_\_\_\_, **2022**, and be available from Lead Counsel, the Claims Administrator, or the Court, pursuant to the instructions below.

69. You may review the Stipulation or documents filed in the case at the Office of the Clerk, United States District Court for the Central District of California, First Street Courthouse, 350 W. 1st Street, Suite 4311, Los Angeles, CA 90012, on weekdays (other than court holidays) between 9:00 a.m. and 4:00 p.m. Subscribers to PACER can also view the papers filed publicly in the Action through the Court’s on-line Case Management/Electronic Case Files System at <https://www.pacer.gov>.

70. You can also get a copy of the Stipulation and other case documents by visiting the website dedicated to the Settlement, [www.strategicclaims.net/Funko/](http://www.strategicclaims.net/Funko/) or the website of Lead Counsel, [www.bernlieb.com](http://www.bernlieb.com).

**Please do not call the Court with questions about the Settlement**

1 **PLAN OF ALLOCATION OF NET SETTLEMENT FUND**

2 **20. How will my claim be calculated?**

3  
4 71. As discussed above, the Settlement Amount and any interest it earns  
5 constitute the Settlement Fund. The Settlement Fund, after the deduction of Court  
6 approved attorneys' fees and litigation expenses, Lead Plaintiff awards, Notice and  
7 Administration Expenses, Taxes, and any other fees or expenses approved by the  
8 Court, is the Net Settlement Fund. If the Settlement is approved by the Court, the  
9 Net Settlement Fund will be distributed to eligible Authorized Claimants – *i.e.*,  
10 members of the Settlement Class who timely submit valid Claim Forms that are  
11 accepted for payment – in accordance with this proposed Plan of Allocation or such  
12 other plan of allocation as the Court may approve. Settlement Class Members who  
13 do not timely submit valid Claim Forms will not share in the Net Settlement Fund  
14 but will otherwise be bound by the Settlement. The Court may approve this proposed  
15 Plan of Allocation, or modify it, without additional notice to the Settlement Class.  
16 Any order modifying the Plan of Allocation will be posted on the Case Website,  
17 [www.strategicclaims.net/Funko/](http://www.strategicclaims.net/Funko/).

18 72. To design the Plan, Lead Counsel have conferred with Lead Plaintiffs'  
19 consulting damages expert. The objective of the Plan of Allocation is to distribute  
20 the Net Settlement Fund equitably among those Settlement Class Members who  
21 suffered economic losses as a proximate result of the alleged wrongdoing. The Plan  
22 of Allocation is not intended to estimate, or be indicative of, the amounts that  
23 Settlement Class Members might have been able to recover after a trial. Because the  
24 Net Settlement Fund is less than the total losses alleged to be suffered by Settlement  
25 Class Members, the formulas described below for calculating Recognized Losses  
26 are not intended to estimate the amounts that will actually be paid to Authorized  
27 Claimants. The Plan of Allocation measures the amount of loss that a Settlement  
28

1 Class Member can claim for purposes of making *pro rata* allocations of the Net  
2 Settlement Fund to Authorized Claimants.

3 73. For losses to be compensable damages under the federal securities laws,  
4 the disclosure of the allegedly misrepresented information must be the cause of the  
5 change in the price of the securities at issue. In this case, Lead Plaintiffs alleged that  
6 Defendants issued false statements and omitted material facts during the Class  
7 Period that artificially inflated the price of Funko common stock. Lead Plaintiffs  
8 further allege that on February 5, 2020 and March 5, 2020, corrective information  
9 was released to the market that removed the artificial inflation from the market price  
10 of Funko common stock (deflation) and impacted the price of the stock in a  
11 statistically significant manner.

12 74. An individual Settlement Class Member’s recovery will depend on, for  
13 example: (a) the total number and value of claims submitted; (b) when the claimant  
14 purchased or acquired Funko common stock; and (c) whether and when the claimant  
15 sold his, her, or its shares of Funko common stock.

16 **CALCULATION OF RECOGNIZED LOSS AMOUNTS**

17 75. For purposes of determining whether a claimant has a Recognized  
18 Claim, purchases, acquisitions, and sales of Funko common stock will first be  
19 matched on a First In/First Out (“FIFO”) basis. If a Settlement Class Member has  
20 more than one purchase, acquisition, or sale of Funko common stock during the  
21 Class Period, all purchases, acquisitions, and sales of the stock shall be matched on  
22 a FIFO basis. Class Period sales will be matched first against any holdings at the  
23 beginning of the Class Period and then against purchases in chronological order,  
24 beginning with the earliest purchase made during the Class Period.

25 76. The Claims Administrator will calculate a “Recognized Loss Amount,”  
26 as set forth below, for each share of Funko common stock purchased or otherwise  
27 acquired between August 8, 2019 and March 5, 2020 that is listed in the Claim Form  
28

1 and for which adequate documentation is provided. To the extent that the calculation  
2 of a Claimant's Recognized Loss Amount results in a negative number, that number  
3 shall be set to zero.

4 77. The sum of a claimant's Recognized Loss Amounts will be the  
5 claimant's "Recognized Claim." An Authorized Claimant's "Recognized Claim"  
6 shall be the amount used to calculate the Authorized Claimant's *pro rata* share of  
7 the Net Settlement Fund. The *pro rata* share shall be the Authorized Claimant's  
8 Recognized Claim divided by the total of the Recognized Claims of all Authorized  
9 Claimants, multiplied by the total amount in the Net Settlement Fund.

### 10 COMMON STOCK CALCULATIONS

11 78. For shares of Funko common stock purchased or otherwise acquired  
12 between August 8, 2019 and March 5, 2020, inclusive, and:

- 13 (a) held at the end of trading on June 3, 2020, the Recognized Loss  
14 shall be that number of shares multiplied by the lesser of:
- 15 i. the applicable purchase date artificial inflation per share  
16 figure, as found in Table A; or
  - 17 ii. the difference between the purchase price per share and  
18 \$4.37<sup>3</sup>.
- 19 (b) sold between March 6, 2020 and June 3, 2020, the Recognized  
20 Loss shall be the lesser of:
- 21 i. the applicable purchase date artificial inflation per share  
22 figure, as found in Table A; or

23 \_\_\_\_\_  
24 <sup>3</sup> Pursuant to Section 21(D)(e)(1) of the Private Securities Litigation Reform Act of 1995, "in any  
25 private action arising under this title in which the plaintiff seeks to establish damages by reference  
26 to the market price of a security, the award of damages to the plaintiff shall not exceed the  
27 difference between the purchase or sale price paid or received, as appropriate, by the plaintiff for  
28 the subject security and the mean trading price of that security during the 90-day period beginning  
on the date on which the information correcting the misstatement or omission that is the basis for  
the action is disseminated." The mean (average) closing price of FNKO common stock during the  
period beginning on March 6, 2020 and ending on June 3, 2020 was \$4.37 per share.

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- ii. the difference between the purchase price per share and the sales price per share; or
- iii. the difference between the purchase price per share and the average closing price between March 6, 2020 and the date of sale, as found in Table B.<sup>4</sup>

(c) sold between August 8, 2019 and March 5, 2020, the Recognized Loss shall be that number of shares multiplied by the lesser of:

- i. the applicable purchase date artificial inflation per share figure less the applicable sales date artificial inflation per share figure, as found in Table A; or
- ii. the difference between the purchase price per share and the sales price per share.

79. For shares of Funko common stock purchased or otherwise acquired between August 8, 2019 and October 30, 2019, except for September 19, 2019 or September 20, 2019, the Recognized Loss calculated above in paragraph 78 shall be multiplied by a factor of 0.05 to account for additional litigation risk associated with the Section 10(b) and 20(a) claims based on these purchases, which were dismissed by the Court.

80. For shares of Funko common stock purchased or otherwise acquired on September 19, 2019 or September 20, 2019, the Recognized Loss shall be (i) the amount calculated above in paragraph 78 to account for these purchasers' claim

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<sup>4</sup> Pursuant to Section 21(D)(e)(2) of the Private Securities Litigation Reform Act of 1995, "in any private action arising under this title in which the plaintiff seeks to establish damages by reference to the market price of a security, if the plaintiff sells or repurchases the subject security prior to the expiration of the 90-day period described in paragraph (1), the plaintiff's damages shall not exceed the difference between the purchase or sale price paid or received, as appropriate, by the plaintiff for the security and the mean trading price of the security during the period beginning immediately after dissemination of information correcting the misstatement or omission and ending on the date on which the plaintiff sells or repurchases the security."

1 associated with the alleged violations of Section 20A asserted against Defendant  
 2 Brian Mariotti, which were sustained by the Court, plus (ii) the amount calculated  
 3 above in paragraph 79 to account for additional litigation risk associated with the  
 4 Section 10(b) and 20(a) claims based on these purchases, which were dismissed by  
 5 the Court.

6 **Table A**

Purchase or Sale Date Range	Artificial Inflation Per Share
08/08/2019 – 02/05/2020	\$6.15
02/06/2020 – 03/05/2020	\$0.02

13 **Table B**

Date of Sale	Average Closing Price Between 03/06/2020 and Date of Sale	Date of Sale	Average Closing Price Between 03/06/2020 and Date of Sale
03/06/2020	\$6.92	04/21/2020	\$4.23
03/09/2020	\$6.61	04/22/2020	\$4.20
03/10/2020	\$6.48	04/23/2020	\$4.18
03/11/2020	\$6.26	04/24/2020	\$4.17
03/12/2020	\$5.92	04/27/2020	\$4.15
03/13/2020	\$5.77	04/28/2020	\$4.15
03/16/2020	\$5.56	04/29/2020	\$4.14
03/17/2020	\$5.43	04/30/2020	\$4.15
03/18/2020	\$5.25	05/01/2020	\$4.14
03/19/2020	\$5.14	05/04/2020	\$4.14
03/20/2020	\$5.04	05/05/2020	\$4.13
03/23/2020	\$4.93	05/06/2020	\$4.12
03/24/2020	\$4.85	05/07/2020	\$4.11
03/25/2020	\$4.80	05/08/2020	\$4.13
03/26/2020	\$4.78	05/11/2020	\$4.14
03/27/2020	\$4.75	05/12/2020	\$4.15
03/30/2020	\$4.70	05/13/2020	\$4.15
03/31/2020	\$4.67	05/14/2020	\$4.15

1	04/01/2020	\$4.62	05/15/2020	\$4.15
	04/02/2020	\$4.57	05/18/2020	\$4.16
2	04/03/2020	\$4.50	05/19/2020	\$4.18
	04/06/2020	\$4.45	05/20/2020	\$4.19
3	04/07/2020	\$4.41	05/21/2020	\$4.20
	04/08/2020	\$4.37	05/22/2020	\$4.21
4	04/09/2020	\$4.34	05/26/2020	\$4.23
	04/13/2020	\$4.32	05/27/2020	\$4.26
5	04/14/2020	\$4.31	05/28/2020	\$4.28
	04/15/2020	\$4.30	05/29/2020	\$4.30
6	04/16/2020	\$4.28	06/01/2020	\$4.32
7	04/17/2020	\$4.26	06/02/2020	\$4.34
8	04/20/2020	\$4.24	06/03/2020	\$4.37

### 9                   **ADDITIONAL PROVISIONS OF THE PLAN OF ALLOCATION**

10           81.     Funko common stock purchased on the open market is the only security  
11 eligible for recovery under the Plan of Allocation.

12           82.     Purchases, acquisitions, and sales of Funko common stock shall be  
13 deemed to have occurred on the “contract” or “trade” date as opposed to the  
14 “settlement” or “payment” date. The receipt or grant by gift, inheritance or operation  
15 of law of Funko common stock during the Class Period shall not be deemed a  
16 purchase or sale of such securities for the calculation of a claimant’s Recognized  
17 Claim, nor shall the receipt or grant be deemed an assignment of any claim relating  
18 to the purchase/sale of such securities unless (i) the donor or decedent  
19 purchased/sold such securities during the Class Period; (ii) no Claim Form was  
20 submitted by or on behalf of the donor, on behalf of the decedent, or by anyone else  
21 with respect to such securities; and (iii) it is specifically so provided in the instrument  
22 of gift or assignment.

23           83.     In accordance with the Plan of Allocation, the Recognized Loss  
24 Amount on any portion of a purchase of Funko common stock that matches against  
25 (or “covers”) a “short sale” is zero. The Recognized Loss Amount on a “short sale”  
26 that is not covered by a purchase is also zero. In the event that a claimant has an  
27 opening short position in Funko common stock at the start of the Class Period, the  
28

1 earliest Class Period purchases shall be matched against such opening short position  
2 in accordance with the FIFO matching described above and any portion of such  
3 purchases that covers such short sales will not be entitled to recovery. In the event  
4 that a claimant newly establishes a short position during the Class Period, the earliest  
5 subsequent Class Period purchase shall be matched against such short position on a  
6 FIFO basis and will not be entitled to a recovery.

7 84. The Net Settlement Fund will be allocated among all Authorized  
8 Claimants whose prorated payment is \$10.00 or greater. If the prorated payment to  
9 any Authorized Claimant calculates to less than \$10.00, it will not be included in the  
10 calculation and a distribution will not be made to that Authorized Claimant.

11 85. Payment according to this Plan of Allocation will be deemed conclusive  
12 against all Authorized Claimants. Recognized Claims will be calculated as defined  
13 herein by the Claims Administrator and cannot be less than zero.

14 86. Distributions will be made to Authorized Claimants after all claims  
15 have been processed and after the Court has finally approved the Settlement. If any  
16 funds remain in the Net Settlement Fund by reason of uncashed checks or otherwise,  
17 then, after the Claims Administrator has made reasonable and diligent efforts to have  
18 Settlement Class Members who are entitled to participate in the distribution of the  
19 Net Settlement Fund cash their distribution checks, any balance remaining in the Net  
20 Settlement Fund six (6) months after the initial distribution of such funds shall be  
21 re-distributed, after payment of any unpaid costs or fees incurred in administering  
22 the Net Settlement Fund for such redistribution, to Settlement Class Members who  
23 have cashed their checks and who would receive at least \$10.00 from such re-  
24 distribution. If any funds shall remain in the Net Settlement Fund six months after  
25 such re-distribution, then such balance shall be contributed to the Legal Aid  
26 Foundation of Los Angeles or any not-for-profit successor of it.

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1           87. Payment pursuant to the Plan of Allocation, or such other plan as may  
2 be approved by the Court, shall be conclusive against all Authorized Claimants. No  
3 person shall have any claim against Lead Plaintiffs, Lead Counsel, their damages  
4 expert, Claims Administrator, or other agent designated by Lead Counsel, arising  
5 from determinations or distributions to claimants made substantially in accordance  
6 with the Stipulation, the Plan of Allocation approved by the Court, or further orders  
7 of the Court. Lead Plaintiffs, Defendants, and all other Released Defendants shall  
8 have no responsibility for or liability whatsoever for the investment or distribution  
9 of the Settlement Fund or the Net Settlement Fund, the Plan of Allocation or the  
10 determination, administration, calculation, or payment of any Claim Form or  
11 nonperformance of the Claims Administrator, the payment or withholding of Taxes  
12 owed by the Settlement Fund or any losses incurred in connection therewith.

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14           **SPECIAL NOTICE TO SECURITIES BROKERS AND NOMINEES**

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16           88. If you purchased Funko common stock on the open market during the  
17 Class Period for the beneficial interest of a person or entity other than yourself, the  
18 Court has directed that **WITHIN SEVEN (7) DAYS OF YOUR RECEIPT OF**  
19 **THIS NOTICE, YOU MUST EITHER:** (a) provide to the Claims Administrator  
20 the name and last known address of each such person or entity; (b) request additional  
21 copies of this Postcard Notice from the Claims Administrator, which will be  
22 provided to you free of charge, and **WITHIN SEVEN (7) DAYS** of receipt, mail  
23 the Postcard Notice directly to all such persons or entities; or (c) request an electronic  
24 copy of the Postcard Notice from the Claims Administrator, and **WITHIN SEVEN**  
25 **(7) DAYS** of receipt thereof, email the Postcard Notice directly to all purchasers for  
26 which email addresses are available. If they are available, you must also provide the  
27 Claims Administer with the e-mails of the beneficial owners. If you choose to follow  
28 procedures (b) or (c), the Court has also directed that, upon making that mailing,

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1 **YOU MUST SEND A STATEMENT** to the Claims Administrator confirming that  
2 the mailing was made as directed and keep a record of the names, mailing addresses,  
3 and email addresses used. Upon full and timely compliance with these directions,  
4 you may seek reimbursement from the Settlement Fund of your reasonable expenses  
5 actually incurred in connection with the foregoing, upon request and submission of  
6 appropriate documentation, up to a maximum of \$0.05 plus postage at the current  
7 pre-sort rate used by the Claims Administrator per Postcard Notice mailed; \$0.05  
8 per Postcard Notice emailed; or \$0.05 per name, address, and email address provided  
9 to the Claims Administrator. All communications concerning the foregoing should  
10 be addressed to the Claims Administrator:

11 Funko, Inc. Securities Litigation  
12 c/o Strategic Claims Services  
13 600 N. Jackson St., Suite 205  
14 P.O. Box 230  
15 Media, PA 19063  
16 Tel.: 866-274-4004  
17 info@strategicclaims.net

18 SO ORDERED this \_\_\_\_\_ day of \_\_\_\_\_, 2022.

19 The Honorable Virginia A. Phillips  
20 United States District Judge  
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# EXHIBIT A-2

**PROOF OF CLAIM AND RELEASE FORM**

**“CLAIM FORM”**

**Deadline for Submission:** \_\_\_\_\_

If you purchased or otherwise acquired shares of Funko Inc., (“Funko” or the “Company”) common stock on the open market from August 8, 2019 through March 5, 2020 (the “Class Period”), you may be a “Settlement Class Member” and you may be entitled to share in the settlement proceeds. (Excluded from the Settlement Class are: (i) Defendants; (ii) members of the Immediate Family of each Individual Defendant; (iii) any person who was an Officer or director of Funko; (iv) any firm or entity in which any Defendant has or had a controlling interest; (v) any person who participated in the wrongdoing alleged; (vi) Defendants’ liability insurance carriers; (vii) any affiliates, parents, or subsidiaries of Funko; (viii) all Funko plans that are covered by ERISA; and (ix) the legal representatives, agents, affiliates, heirs beneficiaries, successors-in-interests, or assigns of any excluded person or entity in their respective capacity as such.)

If you are a Settlement Class Member, you must complete and submit this form in order to be eligible for any settlement benefits.

Most claimants submit their Proof of Claim and Release Form electronically. To file your claim electronically, you must complete and submit the form online at [www.strategicclaims.net/Funko/](http://www.strategicclaims.net/Funko/) no later than 11:59 p.m. EST on \_\_\_\_\_, 2022. However, you may alternatively complete and sign this Proof of Claim and Release Form and mail it by first class mail, postmarked no later than \_\_\_\_\_, 2022, to Strategic Claims Services, the Claims Administrator, at the following address:

Funko, Inc. Securities Litigation  
c/o Strategic Claims Services  
600 N. Jackson St., Suite 205  
P.O. Box 230  
Media, PA 19063  
Tel.: 866-274-4004  
Fax: 610-565-7985  
[info@strategicclaims.net](mailto:info@strategicclaims.net)

Your failure to submit your claim by \_\_\_\_\_, 2022 will subject your claim to rejection and preclude you from receiving any money in connection with the settlement of this action. Do not mail or deliver your claim to the Court or to any of the parties or their counsel, as any such claim will be deemed not to have been submitted. Submit your claim only to the Claims Administrator. If you are a Settlement Class Member and do not submit a proper Proof of Claim and Release Form, you will not share in the Settlement, but you nevertheless will be bound by the Order and Final Judgment of the Court unless you exclude yourself. Submission of a Proof of Claim and Release Form does not assure that you will share in the proceeds of the Settlement.

## CLAIMANT'S STATEMENT

1. I (we) purchased or otherwise acquired the common stock of Funko, Inc. ("Funko") on the open market between August 8, 2019 and March 5, 2020 ("the Class Period"). (Do not submit this Proof of Claim and Release Form if you did not purchase or acquire Funko common stock during the Class Period.)
2. By submitting this Proof of Claim and Release Form, I (we) state that I (we) believe in good faith that I am (we are) a Settlement Class Member(s) as defined above and in the Internet Notice of Pendency and Proposed Settlement of Class Action (the "Notice"), or am (are) acting for such person(s); that I am (we are) not a Defendant in the Action or anyone excluded from the Settlement Class; that I (we) have read and understand the Notice; that I (we) believe that I am (we are) entitled to receive a share of the Net Settlement Fund, as defined in the Notice; that I (we) elect to participate in the proposed Settlement described in the Notice; and that I (we) have not filed a request for exclusion. (If you are acting in a representative capacity on behalf of a Settlement Class Member [e.g., as an executor, administrator, trustee, or other representative], you must submit evidence of your current authority to act on behalf of that Settlement Class Member. Such evidence would include, for example, letters testamentary, letters of administration, or a copy of the trust documents.)
3. I (we) consent to the jurisdiction of the Court with respect to all questions concerning the validity of this Proof of Claim and Release Form. I (we) understand and agree that my (our) claim may be subject to investigation and discovery under the Federal Rules of Civil Procedure, provided that such investigation and discovery shall be limited to my (our) status as a Settlement Class Member(s) and the validity and amount of my (our) claim. No discovery shall be allowed on the merits of the Action or Settlement in connection with processing of the Proof of Claim and Release Form.
4. I (we) have set forth where requested below all relevant information with respect to each purchase and/or acquisition of Funko common stock, and each sale, if any, of such common stock. I (we) agree to furnish additional information to the Claims Administrator to support this claim if requested to do so.
5. I (we) have provided photocopies or scanned stockbroker's confirmation slips, stockbroker's statements, or other documents evidencing each purchase, acquisition, and sale of Funko common stock listed below in support of my (our) claim. (IF ANY SUCH DOCUMENTS ARE NOT IN YOUR POSSESSION, PLEASE OBTAIN A COPY OR EQUIVALENT DOCUMENTS FROM YOUR BROKER OR TAX ADVISOR BECAUSE THESE DOCUMENTS ARE NECESSARY TO PROVE AND PROCESS YOUR CLAIM. DO NOT SEND STOCK CERTIFICATES.)
6. I (we) understand that the information contained in this Proof of Claim and Release Form is subject to such verification as the Claims Administrator may request or as the Court may direct, and I (we) agree to cooperate in any such verification. (The information requested herein is designed to provide the minimum amount of information necessary to process most simple claims. The Claims Administrator may request additional information as required to efficiently and reliably calculate your Recognized Claim. In some cases, the Claims Administrator may condition acceptance of the claim based upon the production of additional information, including, where applicable, information concerning transactions in any derivatives securities such as options.)

7. Upon the occurrence of the Court's approval of the Settlement, as detailed in the Notice, I (we) agree and acknowledge that my (our) signature(s) hereto shall effect and constitute a full and complete release, remise and discharge by me (us) and my (our) respective parent entities, associates, affiliates, subsidiaries, predecessors, successors, assigns, attorneys, heirs, representatives, joint tenants, tenants in common, beneficiaries, executors, administrators, insurers, legatees, and estates (or, if I am (we are) submitting this Proof of Claim and Release Form on behalf of a corporation, a partnership, estate or one or more other persons, by it, him, her or them, and by its, his, her or their respective parent entities, associates, affiliates, subsidiaries, predecessors, successors, assigns, attorneys, heirs, representatives, joint tenants, tenants in common, beneficiaries, executors, administrators, insurers, legatees, and estates) of each of the "Defendants' Releasees" of all "Released Claims."
8. Upon the occurrence of the Court's approval of the Settlement, as detailed in the Notice, I (we) agree and acknowledge that my (our) signature(s) hereto shall effect and constitute a covenant by me (us) and my (our) heirs, joint tenants, tenants in common, beneficiaries, executors, administrators, predecessors, successors, attorneys, insurers and assigns (or, if I am (we are) submitting this Proof of Claim and Release Form on behalf of a corporation, a partnership, estate or one or more other persons, by it, him, her or them, and by its, his, her or their heirs, executors, administrators, predecessors, successors, and assigns) to permanently refrain from prosecuting or attempting to prosecute any Released Claims against any of the Defendants' Releasees.
9. "Defendants' Releasees" means Defendants, Russell Nickel, and all other of their current and former parents, affiliates, subsidiaries, related entities, officers, directors, agents, successors, predecessors, assigns, assignees, partnerships, partners, principals, trustees, trusts, employees, Immediate Family members, insurers, advisors, estates, heirs, executors, administrators, shareholders, joint ventures, members, managers, supervisors, contractors, consultants, representatives, attorneys, and legal or personal representatives of the foregoing, in their capacities as such.
10. "Released Defendants' Claims" means all claims and causes of action of every nature and description, whether known claims or Unknown Claims, whether arising under federal, state, common or foreign law, that arise out of or relate in any way to the institution, prosecution, or settlement of the claims against the Defendants, except for (i) claims relating to the enforcement of the Settlement or this Stipulation, or (ii) any claims against any person or entity who or which submits a request for exclusion from the Settlement Class in connection with the Notice ("Excluded Defendants' Claims"). "Released Defendants' Claims" include "Unknown Claims" as defined herein.
11. "Released Plaintiffs' Claims" means any and all claims and causes of action, whether known claims or Unknown Claims, contingent or absolute, mature or not mature, liquidated or not liquidated, accrued or not accrued, concealed or hidden, regardless of legal or equitable theory and whether arising under federal, state, common or foreign law, that Lead Plaintiffs or any other Settlement Class Member (i) asserted in the Action; or (ii) could have asserted in any forum that arise out of or are based upon the allegations, transactions, facts, matters or occurrences, representations, or omissions that were involved, set forth, or referred to in the Action and that relate to the purchase or acquisition of Funko common stock during the Class Period. For the avoidance of doubt, this release does not release or impair: (i) any claims relating to the enforcement of the Settlement; (ii) any claims asserted derivatively in *Silverberg v. Funko, Inc.*, C.A. No. 2020-1043-MTZ (Del. Ch.), *In re Funko, Inc. Derivative Litigation*, Lead Case No. 20-cv-03740-VAP (C.D. Cal.), and *Smith v. Mariotti et al.*, (C.D. Cal. No. 22-cv-03155-VAP (C.D. Cal.); and (iii) any claims of persons or entities who or which submits a

request for exclusion from the Settlement Class in connection with the Notice (“Excluded Plaintiffs’ Claims”). “Released Plaintiffs’ Claims” include “Unknown Claims” as defined herein.

12. “Released Claims” means all Released Defendants’ Claims and all Released Plaintiffs’ Claims.
13. “Unknown Claims” means any Released Plaintiffs’ Claims which Lead Plaintiffs or any other Settlement Class Member does not know or suspect to exist in his, her, or its favor at the time of the release of such claims, and any Released Defendants’ Claims which any Defendant does not know or suspect to exist in his, her, or its favor at the time of the release of such claims, which if known by him, her, or it, might have affected his, her, or its decision(s) with respect to this Settlement. With respect to any and all Released Claims, the Parties stipulate and agree that, upon the Effective Date of the Settlement, Lead Plaintiffs and Settling Defendants shall expressly waive, and each of the other Settlement Class Members shall be deemed to have waived, and by operation of the Judgment, shall have expressly waived, any and all provisions, rights and benefits conferred by any law of any state or territory of the United States, or principle of common law, which is similar, comparable, or equivalent to Cal. Civ. Code § 1542, which provides:

**A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release and that, if known by him or her, would have materially affected his or her settlement with the debtor or released party.**

Lead Plaintiffs, any Settlement Class Member, or any Defendant may hereafter discover facts, legal theories, or authorities in addition to or different from those which any of them now knows or believes to be true with respect to the subject matter of the Released Plaintiffs’ Claims and the Released Defendants’ Claims, but the Parties shall expressly, fully, finally, and forever waive, compromise, settle, discharge, extinguish, and release, and each Settlement Class Member shall be deemed to have waived, compromised, settled, discharged, extinguished, and released, and upon the Effective Date and by operation of the Judgment shall have waived, comprised, settled, discharged, extinguished, and released, fully, finally, and forever, any and all Released Plaintiffs’ Claims and Released Defendants’ Claims, as applicable, known or unknown, suspected or unsuspected, contingent or absolute, accrued or unaccrued, apparent or unapparent, which now exist, or heretofore existed, or may hereafter exist, without regard to the subsequent discovery or existence of such different or additional facts, legal theories, or authorities. The Parties acknowledge, and each of the other Settlement Class Members shall be deemed by operation of law to have acknowledged, that the foregoing waiver was separately bargained for and a key element of the Settlement.

14. I (we) acknowledge that I (we) may hereafter discover facts in addition to or different from those which I (we) now know or believe to be true with respect to the subject matter of the Released Claims, but expressly fully, finally and forever settle and release, any and all Released Claims, known or unknown, suspected or unsuspected, contingent or non-contingent, whether or not concealed or hidden, which now exist, or heretofore have existed, upon any theory of law or equity now existing or coming into existence in the future, including, but not limited to, conduct which is negligent, intentional, with or without malice, or a breach of fiduciary duty, law or rule, without regard to the subsequent discovery or existence of such different or additional facts.
15. I (We) acknowledge that the inclusion of “Unknown Claims” in the definition of claims released pursuant to the Stipulation and Agreement of Settlement, dated June 3, 2022 (“Stipulation”) was separately bargained for and is a material element of the Settlement of which this release is a part.

16. **NOTICE REGARDING ELECTRONIC FILES:** Representatives with the authority to file on behalf of (a) accounts of multiple Persons and/or (b) institutional accounts with large numbers of transactions (“Representative Filers”) must submit information regarding their clients’ transactions in the approved electronic spreadsheet format, which is available by request to the Claims Administrator at [efile@strategicclaims.net](mailto:efile@strategicclaims.net) or by visiting the website [www.strategicclaims.net/institutional-filers/](http://www.strategicclaims.net/institutional-filers/). One spreadsheet may contain the information for multiple Persons and institutional accounts, but all Representative Filers **MUST** also submit a manually signed Proof of Claim and Release Form, as well as proof of authority to file (see Item 2 of the Claimant’s Statement) along with the electronic spreadsheet. The Claims Administrator reserves the right to request additional documentary proof regarding transactions and holdings in the Company’s shares to prove and accurately process the Proof of Claim and Release Form. Any file not submitted in accordance with the required electronic filing format will be subject to rejection. No electronic files will be considered to have been properly submitted unless the Claims Administrator issues an email after processing the file with claim number(s) and respective account information. Do not assume that the file has been received or processed until the Claims Administrator sends a confirmation email. If you do not receive such an email within 10 days of submission, please contact the electronic filing department at [efile@strategicclaims.net](mailto:efile@strategicclaims.net) to inquire about the file and confirm it was received and acceptable.
17. **NOTICE REGARDING ONLINE FILING:** Claimants who are not Representative Filers may submit their claims online using the electronic version of the Proof of Claim and Release Form hosted at [www.strategicclaims.net/Funko/](http://www.strategicclaims.net/Funko/). If you are not acting as a Representative Filer, you do not need to contact the Claims Administrator prior to filing; you will receive an automated e-mail confirming receipt once your Proof of Claim and Release Form has been submitted. If you are unsure if you should submit your claim as a Representative Filer, please contact the Claims Administrator at [info@strategicclaims.net](mailto:info@strategicclaims.net) or (866) 274-4004. If you are not a Representative Filer, but your claim contains a large number of transactions, the Claims Administrator may request that you also submit an electronic spreadsheet showing your transactions to accompany your Proof of Claim and Release Form.

**I. CLAIMANT INFORMATION**

The Claims Administrator will use this information for all communications regarding this Claim Form. If this information changes, you **MUST** notify the Claims Administrator in writing at the address above. Complete names of all persons and entities must be provided.

Beneficial Owner’s Name

Co-Beneficial Owner’s Name

Entity Name (if Beneficial Owner is not an individual)

Representative or Custodian Name (if different from Beneficial Owner(s) listed above)

Address 1 (street name and number)

Address 2 (apartment, unit or box number)

City

State

Zip Code

Country

Last four digits of Social Security Number or Taxpayer Identification Number

Telephone Number (home)

Telephone Number (work)

Email address (E-mail address is not required, but if you provide it you authorize the Claims Administrator to use it in providing you with information relevant to this claim.)

Account Number (where securities were traded)<sup>1</sup>

Claimant Account Type (check appropriate box)

- Individual (includes joint owner accounts)     Pension Plan     Trust     Corporation
- Estate     IRA/401(k)     Other \_\_\_\_\_ (please specify)

<sup>1</sup> If the account number is unknown, you may leave blank. If filing for multiple accounts, file a separate Claim Form for each account.

**II. SCHEDULE OF TRANSACTIONS IN FUNKO COMMON STOCK**

<p><b>1. Holdings as of August 7, 2019</b>– State the total number of shares of FNKO common stock held at the close of trading on August 7, 2019. (Must be documented.) If none, write “zero” or “0.”</p> <div style="text-align: center; margin-top: 20px;"> <div style="border: 1px solid black; width: 200px; height: 20px; margin: 0 auto;"></div> </div>	<p>Confirm Proof of Position Enclosed <input type="checkbox"/></p>	<p><b>IF NONE, CHECK HERE</b> <input type="checkbox"/></p>
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**2. Purchases/Acquisitions from August 8, 2019 through June 3, 2020, inclusive** – Separately list each and every purchase/acquisition (including free receipts) of FNKO common stock from after the opening of trading on August 8, 2019 through and including the close of trading on June 3, 2020. (Must be documented.)

Date of Purchase/ Acquisition (List Chronologically) (Month/Day/Year)	Number of Shares Purchased/ Acquired	Purchase/ Acquisition Price Per Share	Total Purchase/ Acquisition Price (excluding taxes, commissions, and fees)	Confirm Proof of Purchase/ Acquisition Enclosed
/ /		\$	\$	<input type="checkbox"/>
/ /		\$	\$	<input type="checkbox"/>
/ /		\$	\$	<input type="checkbox"/>
/ /		\$	\$	<input type="checkbox"/>
/ /		\$	\$	<input type="checkbox"/>

**3. Sales from August 8, 2019 through June 3, 2020, Inclusive** – Separately list each and every sale/disposition (including free deliveries) of FNKO common stock from after the opening of trading on August 8, 2019 through and including the close of trading on June 3, 2020. (Must be documented.)

Date of Sale (List Chronologically) (Month/Day/Year)	Number of Shares Sold	Sale Price Per Share	Total Sale Price (excluding taxes, commissions, and fees)	Confirm Proof of Sale Enclosed
/ /		\$	\$	<input type="checkbox"/>
/ /		\$	\$	<input type="checkbox"/>
/ /		\$	\$	<input type="checkbox"/>
/ /		\$	\$	<input type="checkbox"/>
/ /		\$	\$	<input type="checkbox"/>

<p><b>4. Ending Holdings</b> – State the total number of shares of FNKO common stock held at the close of trading on June 3, 2020. (Must be documented.) If none, write “zero” or “0.”</p> <div style="text-align: center; margin-top: 20px;"> <div style="border: 1px solid black; width: 200px; height: 20px; margin: 0 auto;"></div> </div>	<p><b>Confirm Proof of Position Enclosed</b></p> <p style="text-align: center;"><input type="checkbox"/></p>
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**III. SUBSTITUTIVE FORM W-9**

**Request for Taxpayer Identification Number**

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

Social Security Number (for individuals)	Or	Taxpayer Identification (for estates, trusts, corporations, etc.)

**IV. CERTIFICATION**

I (We) submit this Proof of Claim and Release Form under the terms of the Stipulation described in the Notice. I (We) also submit to the jurisdiction of the United States District Court for the Central District of California with respect to my (our) claim as a Settlement Class Member(s) and for purposes of enforcing the release and covenant not to sue set forth herein. I (We) further acknowledge that I am (we are) bound by and subject to the terms of any judgment that may be entered in this Action. I (We) have not submitted any other claim covering the same purchases or sales of Funko common stock during the Class Period and know of no other Person having done so on my (our) behalf.

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

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

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

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

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Signature)

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

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

Date: \_\_\_\_\_

**To file this Proof of Claim and Release Form electronically, please visit the Funko Case Website, [www.strategicclaims.net/Funko/](http://www.strategicclaims.net/Funko/). The Case Website has a link called “File a Claim Online” that will direct you to the electronic filing system. Once you click the File a Claim Online link, you will be given detailed instructions for filling out and submitting your Proof of Claim and Release Form online. Please read the instructions carefully and make sure that you have the information and documents necessary to complete your online claim. You will need to provide the contact information and list of transactions stated in the instructions, as well as attach the documentation listed in paragraph 5 on page 2 of this Proof of Claim and Release Form, in order to submit your claim electronically. If you do not provide all of the information and documents required, you will not be able to proceed with your submission through the electronic filing system. If you experience any issues while filling out your Proof of Claim and Release Form electronically, or if you have any questions about filing, you may contact the Claims Administrator via email at [info@strategicclaims.net](mailto:info@strategicclaims.net) or by toll-free phone at (866) 274-4004.**

IF YOU CHOOSE TO FILE YOUR CLAIM BY MAIL, THIS PROOF OF CLAIM AND RELEASE FORM MUST BE POSTMARKED NO LATER THAN \_\_\_\_\_, 2022 AND MUST BE MAILED TO:

Funko, Inc. Securities Litigation  
c/o Strategic Claims Services  
600 N. Jackson St., Ste. 205  
P.O. Box 230  
Media, PA 19063  
Tel.: 866-274-4004  
Fax: 610-565-7985  
[info@strategicclaims.net](mailto:info@strategicclaims.net)

A Proof of Claim and Release Form received by the Claims Administrator shall be deemed to have been submitted when postmarked if mailed first class and addressed in accordance with the above instructions. In all other cases, a Proof of Claim and Release Form shall be deemed to have been submitted when actually received by the Claims Administrator. You should be aware that it will take a significant amount of time to process fully all of the Proof of Claim and Release Forms and to administer the Settlement. This work will be completed as promptly as time permits, given the need to investigate and tabulate each Proof of Claim and Release Form. Please notify the Claims Administrator of any change of address.

### REMINDER CHECKLIST

- Please be sure to sign this Proof of Claim and Release Form on page \_\_. If this Proof of Claim and Release Form is submitted on behalf of joint claimants, then both claimants must sign.
- Please remember to attach or scan supporting documents. Do NOT send any stock certificates. Keep copies of everything you submit.
- Do NOT use highlighter on the Proof of Claim and Release Form or any supporting documents.
- If you move or change your address, telephone number or email address, please submit the new information to the Claims Administrator, as well as any other information that will assist us in contacting you. NOTE: Failure to submit updated information to the Claims Administrator may result in the Claims Administrator's inability to contact you regarding issues with your claim or to deliver payment to you.

# EXHIBIT A-3

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

GILBERTO FERREIRA, Individually and  
On Behalf of All Others Similarly Situated,

Plaintiff,

v.

FUNKO, INC., et al.,

Defendants.

Case No. 2:20-cv-02319-VAP-(MAAx)

Judge: Hon. Virginia A. Phillips  
Courtroom 8A- 8<sup>th</sup> Floor

**CLASS ACTION**

**SUMMARY NOTICE OF PENDENCY OF CLASS ACTION, PROPOSED  
SETTLEMENT, MOTION FOR ATTORNEYS' FEES AND  
EXPENSES, AND SETTLEMENT FAIRNESS HEARING**

**To: All persons and entities who or which purchased the common stock of Funko, Inc. ("Funko") on the open market during the period from August 8, 2019 to March 5, 2020, inclusive, and who were damaged thereby ("Settlement Class").**

Certain persons and entities are excluded from the Settlement Class as set forth in detail in the Stipulation and Agreement of Settlement dated June 3, 2022 ("Stipulation") and the Internet Notice described below.

**PLEASE READ THIS NOTICE CAREFULLY; YOUR RIGHTS WILL BE AFFECTED  
BY A CLASS ACTION LAWSUIT PENDING IN THIS COURT**

**ADDITIONAL INFORMATION ABOUT THE SETTLEMENT IS AVAILABLE ON  
THE SETTLEMENT WEBSITE,  
[www.strategicclaims.net/Funko/](http://www.strategicclaims.net/Funko/)**

YOU ARE HEREBY NOTIFIED, pursuant to Rule 23 of the Federal Rules of Civil Procedure and an Order of the United States District Court for the Central District of California (the "Court"), that the Court-appointed Lead Plaintiffs, on behalf of themselves and the proposed Settlement Class, and defendants Funko, Inc. ("Funko"), Brian Mariotti, Jennifer Fall Jung, Andrew Perlmutter, Ken Brotman, Gino Dellomo, Adam Kriger, ACON Investments, LLC, ACON Funko Manager, LLC, ACON Funko Investors, LLC, ACON Funko Investors Holdings 1, LLC, ACON Funko Investors Holdings 2, LLC, ACON Funko Investors Holdings 3, LLC, and ACON Equity GenPar, LLC (collectively, the "Defendants") have reached a proposed settlement of the claims in the above-captioned class action (the "Action") in the amount of \$7,000,000 (the "Settlement").

A hearing will be held before the Honorable Virginia A. Phillips, on \_\_\_\_\_, 2022, at \_\_\_\_\_ .m., in the United States District Court for the Central District of California, First Street

U.S. Courthouse, 350 W. 1st Street, Courtroom 8A, 8th Floor, Los Angeles, CA 90012 (the “Settlement Hearing”) to, among other things, to determine whether to: (i) approve the proposed Settlement as fair, reasonable, and adequate; (ii) dismiss the Action with prejudice as provided in the Stipulation; (iii) certify the Action as a class action on behalf of the Settlement Class, certify Lead Plaintiffs as Class Representatives for the Settlement Class, and appoint Lead Counsel as Class Counsel for the Settlement Class; (iv) approve the proposed Plan of Allocation for distribution of the settlement funds to Settlement Class Members (the “Net Settlement Fund”); (v) approve Lead Counsel’s application for an award of attorneys’ fees of up to 25% of the Settlement Fund and reimbursement of Litigation Expenses of up to \$275,000, which includes costs and expenses to Lead Plaintiffs of up to \$18,000 each; and (vi) to consider any other matters that may properly be brought before the Court in connection with the Settlement. The Court may change the date of the Settlement Hearing, or hold it telephonically, without providing another notice. You do NOT need to attend the Settlement Hearing to receive a distribution from the Net Settlement Fund.

**IF YOU ARE A MEMBER OF THE SETTLEMENT CLASS, YOUR RIGHTS WILL BE AFFECTED BY THE PROPOSED SETTLEMENT, AND YOU MAY BE ENTITLED TO A MONETARY PAYMENT.** You may obtain a Claim Form and review the Internet Notice of Pendency and Proposed Settlement of Class Action (“Internet Notice”) on the website [www.strategicclaims.net/Funko/](http://www.strategicclaims.net/Funko/) or by contacting the Claims Administrator at:

*Funko, Inc. Securities Litigation*  
c/o Strategic Claims Services  
600 N. Jackson St., Suite 205  
P.O. Box 230  
Media, PA 19063  
Toll-Free: (866) 274-4004  
Fax: (610) 565-7985  
[info@strategicclaims.net](mailto:info@strategicclaims.net)  
<https://www.strategicclaims.net/Funko/>

Inquiries, other than requests for the Internet Notice/Claim Form or for information about the status of a claim, may also be made to Lead Counsel:

**BERNSTEIN LIEBHARD LLP**  
Stephanie M. Beige, Esq.  
10 East 40th Street, 28th Floor  
New York, NY 10016  
212-779-1414  
[funkoinfo@bernlieb.com](mailto:funkoinfo@bernlieb.com)

**POMERANTZ LLP**

Attn: Michael J. Wernke  
600 Third Avenue, 20th Floor  
New York, NY 10016  
212-661-1100  
mjwernke@pomlaw.com

If you are a Settlement Class Member, to be eligible to share in the distribution of the Net Settlement Fund, you must submit a Claim Form *postmarked (if mailed) or submitted online at [www.strategicclaims.net/Funko/](http://www.strategicclaims.net/Funko/)* (“Case Website”) **no later than \_\_\_\_\_, 2022**. Read the instructions carefully, fill out the Claim Form in accordance with the instructions set forth in the Claim Form, and sign it in the location indicated. The Case Website also includes instructions on downloading your transaction data directly from your brokerage so that you do not have to manually enter each transaction. If you are a Settlement Class Member and do not timely submit a valid Claim Form, you will not be eligible to share in the distribution of the Net Settlement Fund, but you will nevertheless be bound by all judgments or orders entered by the Court relating to the Settlement, whether favorable or unfavorable.

If you are a Settlement Class Member and wish to exclude yourself from the Settlement Class, you must submit a written request for exclusion in accordance with the instructions set forth in the Internet Notice such that it is *received no later than \_\_\_\_\_, 2022*. If you properly exclude yourself from the Settlement Class, you will not be bound by any judgments or orders entered by the Court relating to the Settlement, whether favorable or unfavorable, and you will not be eligible to share in the distribution of the Net Settlement Fund.

Any objections to the proposed Settlement, the proposed Plan of Allocation, or Lead Counsel’s motion for attorneys’ fees and reimbursement of expenses or awards to Lead Plaintiffs must be filed with the Court, either by mail or in person, and be mailed to counsel for the Parties in accordance with the instructions in the Internet Notice, such that they are *received no later than \_\_\_\_\_, 2022*.

SO ORDERED this \_\_\_\_\_ day of \_\_\_\_\_, 2022.

The Honorable Virginia A. Phillips  
United States District Judge

# EXHIBIT A-4

Court-Ordered Legal Notice  
Forwarding Service Requested

#:3699

Important Notice about a Securities  
Class Action Settlement

You may be entitled to a payment.  
This Notice may affect your legal  
rights.

Please read it carefully.

Case Pending in the United States  
District Court for the Central District  
of California.

*Case Number: 2:20-cv-02319-VAP-(MAAx)*

*Funko, Inc. Securities Litigation*  
c/o Strategic Claims Services  
P.O. Box 230  
600 N. Jackson St., Ste. 205  
Media, PA 19063

The United States District Court for the Central District of California has preliminarily approved a proposed class action Settlement of all claims in the action captioned *Ferreira v. Funko, Inc., et al.*, Case No. 2:20-cv-02319-VAP-(MAAx). The Settlement resolves all of the claims that Defendants violated the Securities Exchange Act of 1934 by making allegedly false and misleading statements to the investing public, which allegedly caused the Settlement Class to purchase Funko, Inc. common stock at artificially inflated prices. Defendants expressly deny all Lead Plaintiffs' allegations of wrongdoing or liability whatsoever and deny that the Settlement Class Members' losses are compensable under the securities laws.

You received this Postcard Notice because you or someone in your family may have purchased Funko common stock between August 8, 2019 and March 5, 2020, inclusive, and you may be a Settlement Class Member. The Settlement provides that, in exchange for the dismissal and release of claims against Defendants, a fund consisting of \$7,000,000, less attorneys' fees and expenses, will be divided among Settlement Class Members who timely submit a valid Proof of Claim and Release Form ("Claim Form"). The Claim Form can be found on the website, [www.strategicclaims.net/Funko/](http://www.strategicclaims.net/Funko/), or will be mailed to you upon request to the Claims Administrator at the address below.

For a full description of the Settlement and your rights and to make a claim, please view the Stipulation of Settlement, the Internet Notice of Pendency and Proposed Settlement of Class Action ("Notice"), and Claim Form by visiting the website: [www.strategicclaims.net/Funko/](http://www.strategicclaims.net/Funko/). You may also request copies of the Notice and Claim Form from the Claims Administrator through any of the following ways: (1) mail: Funko, Inc. Securities Litigation, c/o Strategic Claims Services, P.O. Box 230, 600 N. Jackson St, Ste. 205, Media, PA 19063; (2) call toll-free: (866) 274-4004; (3) fax: (610) 565-7985; or (4) email: [info@strategicclaims.net](mailto:info@strategicclaims.net). **To qualify for payment, you must submit a Claim Form.**

Claim Forms must be electronically submitted by 11:59 p.m. on \_\_\_\_\_, 2022. Mailed Claim Forms must be postmarked by \_\_\_\_\_, 2022. If you do not want to be legally bound by the Settlement, you must exclude yourself by \_\_\_\_\_, 2022 or you will not be able to sue the Defendants about the legal claims in this case. If you exclude yourself, you cannot get money from this Settlement. If you stay in the Settlement, you may object to it by \_\_\_\_\_, 2022. The detailed Notice explains how to submit a Claim Form, exclude yourself, or object.

The Court will hold a final settlement hearing in this case on \_\_\_\_\_, 2022 at \_\_:\_\_ \_\_.m. at the United States District Court, Central District of California, First Street U.S. Courthouse, 350 W. First Street, Courtroom 8A, 8th Floor, Los Angeles, CA 90012, to consider whether to approve the Settlement, the Plan of Allocation, and a request by Lead Counsel for up to 25% of the Settlement Fund for attorneys' fees, plus up to \$275,000 for actual expenses and up to \$18,000 in PSLRA awards for each of the Lead Plaintiffs. You may attend



# EXHIBIT B

1 **POMERANTZ LLP**  
2 Jennifer Pafiti (SBN 292790)  
3 1100 Glendon Avenue, 15<sup>th</sup> Floor  
4 Los Angeles, CA 90024  
5 Telephone: (310) 405-7190  
6 jpfafiti@pomlaw.com

7 *Co-Lead Counsel for Lead*  
8 *Plaintiffs*

9 **UNITED STATES DISTRICT COURT**  
10 **CENTRAL DISTRICT OF CALIFORNIA**

11 GILBERTO FERREIRA,  
12 Individually and On Behalf of All  
13 Others Similarly Situated,

14 Plaintiff,

15 v.

16 FUNKO, INC., et al.,

17 Defendants.

Case No.: 2:20-cv-02319-VAP-MAAx

Judge: Hon. Virginia A. Phillips  
Courtroom 8A-8<sup>th</sup> Floor

**CLASS ACTION**

18 **[PROPOSED] JUDGMENT APPROVING CLASS ACTION**  
19 **SETTLEMENT AND ORDER OF DISMISSAL**

20 WHEREAS, a securities class action is pending in this court entitled *Gilberto*  
21 *Ferreira, et al. v. Funko, Inc., et al.*, 2:20-cv-02319-VAP-MAAx (the “Action”);

22 WHEREAS, (a) Lead Plaintiffs Huaiyu Zheng, Abdul Baker, and Zhibin  
23 Zhang (“Lead Plaintiffs”), on behalf of themselves and the Settlement Class (defined  
24 below), and (b) defendants Funko, Inc. (“Funko”) and Brian Mariotti, Jennifer Fall  
25 Jung, Andrew Perlmutter, Ken Brotman, Gino Dellomo, and Adam Kriger (the  
26 “Individual Defendants,” and together with Funko, the “Funko Defendants” or the  
27 “Settling Defendants”), and ACON Investments, L.L.C., ACON Funko Manager,  
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1 L.L.C., ACON Funko Investors, L.L.C., ACON Funko Investors Holdings 1, L.L.C.,  
2 ACON Funko Investors Holdings 2, L.L.C., ACON Funko Investors Holdings 3,  
3 L.L.C., and ACON Equity GenPar, L.L.C. (the “ACON Defendants,” and together  
4 with the Settling Defendants, the “Defendants”) have determined to settle all claims  
5 asserted in this Action against all parties with prejudice on the terms and conditions  
6 set forth in the Stipulation and Agreement of Settlement dated June 3, 2022 (the  
7 “Stipulation”), subject to the approval of this Court (the “Settlement”);

8 WHEREAS, unless otherwise defined in the Judgment, the capitalized terms  
9 herein shall have the same meanings as they have in the Stipulation;

10 WHEREAS, by Order dated \_\_\_\_\_, 2022 (the “Preliminary Approval  
11 Order”), this Court: (a) found, pursuant to Rule 23(e)(1)(B), that it (i) would likely  
12 be able to approve the Settlement as fair, reasonable, and adequate under Rule  
13 23(e)(2) and (ii) would likely be able to certify the Settlement Class for purposes of  
14 the Settlement; (b) ordered that notice of the proposed Settlement be provided to  
15 potential Settlement Class Members; (c) provided Settlement Class Members with  
16 the opportunity either to exclude themselves from the Settlement Class or to object  
17 to the proposed Settlement; and (d) scheduled a hearing regarding final approval of  
18 the Settlement;

19 WHEREAS, due and adequate notice has been given to the Settlement Class;

20 WHEREAS, the Court conducted a hearing on \_\_\_\_\_, 2022 (the  
21 “Settlement Hearing”) to consider, among other things, (a) whether the terms and  
22 conditions of the Settlement are fair, reasonable, and adequate to the Settlement  
23 Class, and should therefore be approved; and (b) whether a judgment should be  
24 entered dismissing the Action with prejudice as against the Defendants; and

25 WHEREAS, the Court having reviewed and considered the Stipulation, all  
26 papers filed and proceedings held herein in connection with the Settlement, all oral  
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1 and written comments received regarding the Settlement, and the record in the  
2 Action, and good cause appearing therefor;

3 IT IS HEREBY ORDERED, ADJUDGED AND DECREED:

4 1. **Jurisdiction** – The Court has jurisdiction over the subject matter of the  
5 Action, and all matters relating to the Settlement, as well as personal jurisdiction  
6 over all of the parties and each of the Settlement Class Members.

7 2. **Incorporation of Settlement Documents** – This Judgment  
8 incorporates and makes a part hereof the Stipulation and the exhibits thereto, filed  
9 with the Court on June 3, 2022.

10 3. **Class Certification for Settlement Purposes** – The Court hereby  
11 certifies, for the purposes of the Settlement only, the Action as a class action  
12 pursuant to Rules 23(a) and (b)(3) of the Federal Rules of Civil Procedure on behalf  
13 of the Settlement Class consisting of all persons and entities who purchased or  
14 otherwise acquired Funko publicly traded common stock during the period from  
15 August 8, 2019 through March 5, 2020 (the “Class Period”), and who were damaged  
16 thereby (the “Settlement Class”). The Settlement Class includes all persons or  
17 entities who purchased Funko common stock contemporaneously with sales of  
18 Funko common stock made by Defendant Mariotti during the Class Period.  
19 Excluded from the Settlement Class are: (i) Defendants; (ii) members of the  
20 Immediate Family of each Individual Defendant; (iii) any person who was an officer  
21 or director of Funko; (iv) any firm or entity in which any Defendant has or had a  
22 controlling interest; (v) any person who participated in the wrongdoing alleged; (vi)  
23 Defendants’ liability insurance carriers; (vii) any affiliates, parents, or subsidiaries  
24 of Funko; (viii) all Funko plans that are covered by ERISA; and (ix) the legal  
25 representatives, agents, affiliates, heirs beneficiaries, successors-in-interest, or  
26 assigns of any excluded person or entity in their respective capacity as such. Also  
27 excluded from the Settlement Class are any persons and entities who or which  
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1 exclude themselves by submitting a request for exclusion that is accepted by the  
2 Court.

3 4. **Settlement Class Findings** – For purposes of the Settlement only, the  
4 Court finds that each element required for certification of the Settlement Class  
5 pursuant to Rule 23 of the Federal Rules of Civil Procedure has been met: (a) the  
6 members of the Settlement Class are so numerous that their joinder in the Action  
7 would be impracticable; (b) there are questions of law and fact common to the  
8 Settlement Class which predominate over any individual questions; (c) the claims of  
9 Lead Plaintiff in the Action are typical of the claims of the Settlement Class; (d)  
10 Lead Plaintiff and Lead Counsel have and will fairly and adequately represent and  
11 protect the interests of the Settlement Class; and (e) a class action is superior to other  
12 available methods for the fair and efficient adjudication of the claims of the  
13 Settlement Class in the Action.

14 5. **Adequacy of Representation** – Pursuant to Rule 23 of the Federal  
15 Rules of Civil Procedure, and for the purposes of the Settlement only, the Court  
16 hereby appoints Lead Plaintiffs as Class Representatives for the Settlement Class,  
17 and appoints Lead Counsel Bernstein Liebhard LLP and Pomerantz LLP as Class  
18 Counsel for the Settlement Class. Lead Plaintiffs and Lead Counsel have fairly and  
19 adequately represented the Settlement Class both in terms of litigating the Action  
20 and for purposes of entering into and implementing the Settlement and have satisfied  
21 the requirements of Federal Rules of Civil Procedure 23(a)(4) and 23(g),  
22 respectively.

23 6. **Notice** – The Court finds that the dissemination of the Postcard Notice,  
24 Internet Notice and the publication of the Summary Notice: (a) were implemented  
25 in accordance with the Preliminary Approval Order; (b) constituted the best notice  
26 practicable under the circumstances; (c) constituted notice that was reasonably  
27 calculated, under the circumstances, to apprise Settlement Class Members of (i) the  
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1 pendency of the Action; (ii) the effect of the proposed Settlement (including the  
2 Releases to be provided thereunder); (iii) Lead Counsel’s motion for attorneys’ fees  
3 and Litigation Expenses, including application for PSLRA awards to Lead Plaintiffs;  
4 (iv) their right to object to any aspect of the Settlement, the Plan of Allocation, and/or  
5 Lead Counsel’s motion for attorneys’ fees and Litigation Expenses; (v) their right to  
6 exclude themselves from the Settlement Class; and (vi) their right to appear at the  
7 Settlement Fairness Hearing; (d) constituted due, adequate, and sufficient notice to  
8 all persons and entities entitled to receive notice of the proposed Settlement; and (e)  
9 satisfied the requirements of Rule 23 of the Federal Rules of Civil Procedure, the  
10 United States Constitution (including the Due Process Clause), the Private Securities  
11 Litigation Reform Act of 1995, 15 U.S.C. § 78u-4, as amended, and all other  
12 applicable law and rules. No Settlement Class Member is relieved from the terms of  
13 the Settlement, including the Releases provided for therein, based upon the  
14 contention or proof that such Settlement Class Member failed to receive actual or  
15 adequate notice. A full opportunity has been offered to the Settlement Class  
16 Members to object to the proposed Settlement and to participate in the hearing  
17 thereon. The Court further finds that the notice provisions of the Class Action  
18 Fairness Act, 28 U.S.C. § 1715 *et seq.*, were fully discharged and that the statutory  
19 waiting period has elapsed. Thus, the Court hereby determines that all Settlement  
20 Class Members are bound by this Judgment, except those persons and entities listed  
21 on Exhibit 1 to this Judgment.

22       7.     **Final Settlement Approval and Dismissal of Claims** – Pursuant to,  
23 and in accordance with Rule 23(e)(2) of the Federal Rules of Civil Procedure, this  
24 Court hereby fully and finally approves the Settlement set forth in the Stipulation in  
25 all respects (including, without limitation, the amount of the Settlement, the Releases  
26 provided for therein, and the dismissal with prejudice of the claims asserted against  
27 Defendants in the Action), and finds that the Settlement is, in all respects, fair,  
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1 reasonable, and adequate to the Settlement Class. Specifically, the Court finds that  
2 (a) Lead Plaintiff and Lead Counsel have adequately represented the Settlement  
3 Class; (b) the Settlement was negotiated by the Parties at arm’s length; (c) the relief  
4 provided for the Settlement Class under the Settlement is adequate taking into  
5 account the costs, risks, and delay of trial and appeal, the proposed means of  
6 distributing the Settlement Fund to the Settlement Class; and the proposed attorneys’  
7 fee award; and (d) the Settlement treats members of the Settlement Class equitably  
8 relative to each other. The parties are directed to implement, perform, and  
9 consummate the Settlement in accordance with the terms and provisions contained  
10 in the Stipulation.

11 8. The Action and all claims asserted against Defendants in the Action by  
12 Lead Plaintiff and the other Settlement Class Members are hereby dismissed with  
13 prejudice. The parties shall bear their own costs and expenses, except as otherwise  
14 expressly provided in the Stipulation.

15 9. **Binding Effect** – The terms of the Stipulation and of this Judgment  
16 shall be forever binding on Defendants, Lead Plaintiffs, and all other Settlement  
17 Class Members (regardless of whether or not any individual Settlement Class  
18 Member submits a Claim Form or seeks or obtains a distribution from the Net  
19 Settlement Fund), as well as their respective successors and assigns. [The persons  
20 and entities listed on Exhibit 1 hereto are excluded from the Settlement Class  
21 pursuant to request and are not bound by the terms of the Stipulation or this  
22 Judgment].

23 10. **Releases** – The Releases set forth in paragraphs 5 and 6 of the  
24 Stipulation, together with the definitions contained in paragraph 1 of the Stipulation  
25 relating thereto, are expressly incorporated herein in all respects. The Releases are  
26 effective as of the Effective Date. Accordingly, this Court orders that:

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1 a. Without further action by anyone, and subject to paragraph 11 below,  
2 upon the Effective date of the Settlement, Lead Plaintiff and each of the other  
3 Settlement Class Members, on behalf of themselves, and their respective heirs,  
4 executors, administrators, predecessors, successors, and assigns, in their capacities  
5 as such, shall be deemed to have and by operation of law and of this Judgment shall  
6 have, fully, finally, and forever compromised, settled, released, resolved,  
7 relinquished, waived, and discharged each and every Released Plaintiffs' Claim  
8 against Defendants and all of the Defendants' Releasees, and shall forever be barred  
9 and enjoined from bringing, asserting, or prosecuting any or all of the Released  
10 Plaintiffs' Claims against any of the Defendants' Releasees.

11 b. Without further action by anyone, and subject to paragraph 11 below,  
12 upon the Effective Date of the Settlement, the Settling Defendants, on behalf of  
13 themselves, and their respective heirs, executors, administrators, predecessors,  
14 successors, and assigns, in their capacities as such, shall be deemed to have, and by  
15 operation of law and of this Judgment shall have, fully, finally, and forever  
16 compromised, settled, released, resolved, relinquished, waived, and discharged each  
17 and every Released Defendants' Claim against Lead Plaintiffs and all of the  
18 Plaintiffs' Releasees, and shall forever be barred and enjoined from bringing,  
19 asserting or prosecuting any or all of the Released Defendants' Claims against any  
20 of the Plaintiffs' Releasees. [This Release shall not apply to any person or entity  
21 listed on Exhibit 1 hereto.]

22 11. Notwithstanding paragraphs 10(a) – (b) above, nothing in this  
23 Judgment shall bar any action by any of the parties or any Releasee to enforce or  
24 effectuate the terms of the Stipulation or this Judgment.

25 12. **Rule 11 Findings** – The Court finds and concludes that the parties and  
26 their respective counsel have complied in all respects with the requirements of Rule  
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1 11 of the Federal Rules of Civil Procedure in connection with the institution,  
2 prosecution, defense, and settlement of the Action.

3 13. **No Admissions** – Neither this Judgment, the Stipulation (whether or  
4 not consummated), including the exhibits thereto and the Plan of Allocation  
5 contained therein (or any other plan of allocation that may be approved by the Court),  
6 the negotiations leading to the execution of the Stipulation, nor any proceedings  
7 taken pursuant to or in connection with the Stipulation and/or approval of the  
8 Settlement (including any arguments proffered in connection therewith):

9 a. Shall be offered against any of the Defendants’ Releasees as evidence  
10 of, or construed as, or deemed to be evidence of any presumption, concession, or  
11 admission by any of the Defendants’ Releasees with respect to the truth of any fact  
12 alleged by Lead Plaintiff or the validity of any claim that was or could have been  
13 asserted or the deficiency of any defense that has been or could have been asserted  
14 in this Action or in any other litigation, or of any liability, negligence, fault, or other  
15 wrongdoing of any kind of any of the Defendants’ Releasees or in any way referred  
16 to for any other reason as against any of the Defendants’ Releasees, in any arbitration  
17 proceeding or other civil, criminal, or administrative action or proceeding, other than  
18 such proceedings as may be necessary to effectuate the provisions of the Stipulation;

19 b. Shall be offered against any of the Plaintiffs’ Releasees, as evidence of,  
20 or construed as, or deemed to be evidence of any presumption, concession or  
21 admission by any of the Plaintiffs’ Releasees that any of their claims are without  
22 merit, that any of the Defendants’ Releasees had meritorious defenses, or that  
23 damages recoverable under the Complaint would not have exceeded the Settlement  
24 Amount or with respect to any liability, negligence, fault, or wrongdoing of any kind,  
25 or in any way referred to for any other reason as against any of the Plaintiffs’  
26 Releasees, in any arbitration proceeding or other civil, criminal, or administrative  
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1 action or proceeding, other than such proceedings as may be necessary to effectuate  
2 the provisions of the Stipulation; or

3 c. Shall be construed against any of the Releasees as an admission,  
4 concession, or presumption that the consideration to be given under the Settlement  
5 represents the amount which could be or would have been recovered after trial;  
6 provided, however, that the Parties and the Releasees and their respective counsel  
7 may refer to and rely on this Judgment and the Stipulation to effectuate the  
8 protections from liability granted hereunder and thereunder or otherwise to enforce  
9 the terms of the Settlement, including but not limited to by filing the Stipulation  
10 and/or this Judgment in any other action that may be brought against them in order  
11 to support a defense or counterclaim based on principles of *res judicata*, collateral  
12 estoppel, release, good faith settlement, judgment bar or reduction, or any other  
13 theory of claim preclusion or issue preclusion or similar defense or counterclaim.

14 14. **Retention of Jurisdiction** – Without affecting the finality of this  
15 Judgment in any way, this Court retains continuing and exclusive jurisdiction over:  
16 (a) the Parties for purposes of the administration, interpretation, implementation, and  
17 enforcement of the Settlement; (b) the disposition of the Settlement Fund; (c) any  
18 motion for an award of attorneys’ fees and/or Litigation Expenses by Lead Counsel  
19 in the Action that will be paid from the Settlement Fund; (d) any motion to approve  
20 the Plan of Allocation; (e) any motion to approve the Class Distribution Order; and  
21 (f) the Settlement Class Members for all matters relating to the Action.

22 15. **Modification of the Agreement of Settlement** – Without further  
23 approval from the Court, Lead Plaintiffs and the Settlement Defendants are hereby  
24 authorized to agree to and adopt such amendments or modifications of the  
25 Stipulation or any exhibits attached thereto to effectuate the Settlement that: (a) are  
26 not materially inconsistent with this Judgment; and (b) do not materially limit the  
27 rights of Settlement Class Members in connection with the Settlement. Without  
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1 further order of the Court, Lead Plaintiffs and the Settling Defendants may agree to  
2 reasonable extensions of time to carry out any provisions of the Settlement.

3 16. **Plan of Allocation** – The Court hereby finds that the proposed Plan of  
4 Allocation is a fair and reasonable method to allocate the Net Settlement Fund  
5 among Settlement Class Members, and Lead Counsel and the Claims Administrator  
6 are directed to administer the Plan of Allocation in accordance with its terms and the  
7 terms of the Stipulation.

8 17. **Attorneys’ Fees and Litigation Expenses** – Lead Counsel is awarded  
9 attorneys’ fees in the amount of \$ \_\_\_\_\_, and expenses in the amount of  
10 \$ \_\_\_\_\_, such amounts to be paid out of the Settlement Fund  
11 immediately upon entry of this Order. Lead Counsel shall thereafter be solely  
12 responsible for allocating the attorneys’ fees and expenses among Bronstein,  
13 Gewirtz & Grossman, LLC and other counsel who performed work for the benefit  
14 of the Settlement Class at their direction in the manner in which Lead Counsel in  
15 good faith believe reflects the contributions of such counsel to the initiation,  
16 prosecution, and resolution of the Action. In the event that this Judgment does not  
17 become Final, and any portion of the fee and expense award has already been paid  
18 from the Settlement Fund, Lead Counsel and all other counsel to whom Lead  
19 Counsel has distributed payments shall within thirty (30) calendar days of (i) entry  
20 of the order rendering the Settlement and Judgment non-Final, (ii) notice of the  
21 Settlement being terminated, or (iii) the occurrence of any other event that precludes  
22 the Effective Date from occurring, refund the Settlement Fund the fee and expense  
23 award paid to Lead Counsel and, if applicable, distributed to other counsel.

24 18. **Awards to Plaintiffs** – Plaintiffs Abdul Baker, Zhibin Zhang, and  
25 Huaiyu Zheng are awarded \$ \_\_\_\_\_, \$ \_\_\_\_\_ and \$ \_\_\_\_\_, respectively, for their  
26 reasonable costs and expenses directly relating to the representation of the  
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1 Settlement Class as provided in 15 U.S.C. § 78u-4(a)(4), with such amounts to be  
2 paid from the Settlement Fund upon the Effective Date of the Settlement.

3 19. **Termination of Settlement** – If the Settlement is terminated as  
4 provided in the Stipulation or the Effective Date of the Settlement otherwise fails to  
5 occur, this Judgment shall be vacated, rendered null and void, and be of no further  
6 force and effect, except as otherwise provided by the Stipulation, and this Judgment  
7 shall be without prejudice to the rights of Lead Plaintiffs, the other Settlement Class  
8 Members, and Defendants, and the parties shall revert to their respective positions  
9 in the Action immediately prior to the execution of the Stipulation.

10 20. **Entry of Final Judgment** – There is no just reason to delay the entry  
11 of this Judgment as a final judgment in this Action. Accordingly, the Clerk of the  
12 Court is expressly directed to immediately enter this final judgment in this Action.

13 SO ORDERED this \_\_\_\_ day of \_\_\_\_\_, 2022.

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16 The Honorable Virginia A. Phillips  
17 United States District Judge  
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