

1
2
3
4
5
6
7
8
9 UNITED STATES DISTRICT COURT
10 CENTRAL DISTRICT OF CALIFORNIA
11

12 IN RE:

13 FAT BRANDS INC. SECURITIES
14 LITIGATION
15
16
17
18

Case No. 2:22-cv-01820-MCS-RAO

Hon. Mark C. Scarsi

CLASS ACTION

19 **STIPULATION OF SETTLEMENT**
20

21 This Stipulation of Settlement dated as of September 23, 2022 (together with
22 all Exhibits hereto, “Stipulation”), which is entered into, by and through their
23 undersigned attorneys, between (i) Lead Plaintiff Robert J. Matthews and named
24 plaintiff Michael Melendez (“Plaintiffs”), on behalf of themselves and the
25 Settlement Class (as defined herein) and (ii) Defendants FAT Brands, Inc. (“FAT
26 Brands” or the “Company”), Andrew Wiederhorn, Ron Roe, Ken Kuick, Squire
27 Junger, Silvia Kessel, James Neuhauser, Edward H. Rensi, and Rebecca Hershinger
28 (“Defendants” and with Plaintiffs, the “Parties”), states all of the terms of the

1 settlement and resolution of this matter by the Parties, and is intended by the Parties
2 to fully and finally compromise, settle, release, resolve, remise, discharge, and
3 dismiss with prejudice the Released Claims (as defined herein) against the Released
4 Parties (as defined herein) for the consideration specified, as set forth below.

5 Throughout this Stipulation, all terms used with initial capitalization, but not
6 immediately defined, shall have the meanings ascribed to them in Paragraph 1
7 below.

8 **WHEREAS:**

9 **A. Litigation History**

10 On March 18, 2022, Robert J. Matthews filed the first action styled as
11 *Matthews v. FAT Brands, Inc., et al.*, 2:22-cv-01820 (C.D. Cal.), alleging violations
12 of Sections 10(b) and 20(a) of the Securities Exchange Act of 1934 (“Exchange
13 Act”). Dkt. No. 1. On April 15, 2022, Kerry Chipman filed a related action style as
14 *Chipman v. FAT Brands, Inc., et al.*, 2:22-cv-02541 (C.D. Cal.), alleging the same
15 claims. On May 2, 2022, the Court consolidated the two actions into this Action at
16 the Parties’ request. Dkt. No. 19.

17 On May 17, 2022, Matthews and Chipman filed competing motions seeking
18 appointment as lead plaintiff of the consolidated action, and approval of their
19 respective counsel as lead counsel. Dkt. Nos. 20 and 23. On June 13, 2022, the
20 Court appointed Matthews as Lead Plaintiff and The Rosen Law Firm, P.A. as Lead
21 Counsel. Dkt. No. 34. In its order, the Court directed Lead Plaintiff to file his
22 amended complaint within 14 days of the order, with Defendants’ response(s)
23 thereto due within 28 days of the filing of the amended complaint.

24 On June 27, 2022, Plaintiffs Matthews and Melendez filed the operative
25 Consolidated Amended Complaint for Violations of the Federal Securities Laws
26 (“Complaint”). Dkt. No. 36. On July 19, 2022, the Parties requested that the Court
27 stay all deadlines in the Action to permit the Parties time to participate in mediation.

1 Dkt. No. 48. The Court declined to stay all deadlines in the Action but extended
2 Defendants' time to respond to the Complaint to August 15, 2022. Dkt. No. 49.

3 On August 10, 2022, the Parties notified the Court that they reached a
4 settlement in principle and asked that the case be stayed for 30 days in order to
5 document the Settlement, Dkt. No. 50, which the Court granted. Dkt. No. 51.

6 **B. Mediation and Settlement**

7 Shortly after Plaintiffs filed their Complaint, the Parties began to discuss
8 mediation. They engaged Michelle Yoshida of Phillips ADR, a well-respected
9 mediator with experience mediating securities class actions. Prior to the mediation,
10 the Parties exchanged detailed mediation statements and replies.

11 The Parties attended a mediation on August 9, 2022 with Ms. Yoshida. The
12 mediation was successful and on August 10, 2022, the Parties executed a binding
13 Term Sheet that set forth the material terms and obligations with respect to the
14 settlement.

15 This Stipulation memorializes the agreement between the Parties to fully and
16 finally settle the Action and to fully release all Released Claims against Defendants
17 and the Released Parties with prejudice in return for the consideration specified
18 herein.

19 **C. Defendants' Denial of Wrongdoing and Liability**

20 Throughout this Action, Defendants have denied, and continue to deny, any
21 and all allegations of fault, liability, wrongdoing, or damages whatsoever arising
22 out of any of the conduct, statements, acts, or omissions alleged, or that could have
23 been alleged, in the Action. Defendants have denied, and continue to deny, the
24 allegations that Plaintiffs or any Settlement Class Member have suffered damages
25 or were harmed by any of the conduct alleged in the Action or that could have been
26 alleged as part of the Action. In addition, Defendants maintain that they have
27 meritorious defenses to all claims in the Action. Defendants continue to believe the
28

1 claims asserted against them in the Action are without merit and have agreed to
2 enter into the Settlement set forth in this Stipulation solely to avoid the expense,
3 distraction, time and uncertainty associated with the Action.

4 Defendants have concluded that it is desirable that the Action be fully and
5 finally settled in the manner and upon the terms and conditions set forth in this
6 Stipulation. Defendants also have taken into account the risks inherent in any
7 litigation, especially in complex cases such as this Action. Defendants have
8 therefore determined that it is desirable and beneficial to them that the Action be
9 settled in the manner and upon the terms and conditions set forth in this Stipulation.

10 **D. Plaintiffs' Claims and Benefits of Settlement**

11 Plaintiffs believe that the claims they asserted in the Action on their own
12 behalf and on behalf of the putative Class have merit. Plaintiffs, however, recognize
13 and acknowledge the expense and length of continued proceedings necessary to
14 prosecute the Action against Defendants through trial and appeals. Plaintiffs have
15 also taken into account the uncertain outcome and the inherent risks of this and any
16 complex class litigation. In particular, Plaintiffs have considered the early
17 procedural posture in this Action, and that even if they were successful in defeating
18 Defendants' anticipated motions to dismiss the Complaint, inherent problems of
19 proof and possible defenses to the federal securities law violations asserted in the
20 Action pose formidable hurdles to a more successful resolution. Plaintiffs have
21 determined, therefore, that the Settlement set forth in this Stipulation is fair,
22 adequate, reasonable, and in the best interests of the Settlement Class.

23 **NOW, THEREFORE, IT IS HEREBY STIPULATED AND AGREED**
24 by and among Plaintiffs (on behalf of themselves and each of the Settlement Class
25 Members) and Defendants, by and through their respective undersigned counsel,
26 that, subject to the approval of the Court, in consideration of the benefits flowing to
27 the Parties from the Settlement set forth herein, the Action shall be dismissed with
28

1 prejudice and the Released Claims shall be finally and fully released as against the
2 Released Parties, upon and subject to the terms and conditions of this Stipulation,
3 as follows:

4 **1. Definitions**

5 In addition to the terms defined above, the following capitalized terms, used
6 in this Stipulation, shall have the meanings specified below:

7 **1.1.** “Action” means the consolidated, putative class action
8 captioned *In re FAT Brands Inc. Securities Litigation*, Case No. 2:22-cv-01820-
9 MCS-RAO (C.D. Cal.).

10 **1.2.** “Administrative Costs” means all costs and expenses associated
11 with providing notice of the Settlement to the Settlement Class and otherwise
12 administering or carrying out the terms of the Settlement. Such costs may include,
13 without limitation: escrow agent costs, the costs of publishing and disseminating
14 the Notice, the costs of printing and mailing the Notice and Proof of Claim, as
15 directed by the Court, and the costs of allocating and distributing the Net Settlement
16 Fund to the Authorized Claimants. Such costs do not include legal fees.

17 **1.3.** “Authorized Claimant” means any Settlement Class Member
18 who is a Claimant and whose claim for recovery has been allowed pursuant to the
19 terms of this Stipulation, the exhibits hereto, and any order of the Court.

20 **1.4.** “Award to Plaintiffs” means the requested reimbursement to
21 Plaintiffs for their reasonable costs and expenses directly related to Plaintiffs’
22 representation of the Settlement Class in the Action.

23 **1.5.** “Business Day” means any day except Saturday, Sunday, or any
24 legal holiday as defined by Federal Rule of Civil Procedure 6(a)(6).

25 **1.6.** “Claimant” means any Settlement Class Member who files a
26 Proof of Claim in such form and manner, and within such time, as the Court shall
27 permit.
28

1 **1.7.** “Claims” means any and all manner of claims, debts, demands,
2 controversies, obligations, losses, costs, interest, penalties, fees, expenses, rights,
3 duties, judgments, sums of money, suits, contracts, agreements, promises, damages,
4 causes of action and liabilities, of every nature and description in law or equity
5 (including, but not limited to, any claims for damages, whether compensatory,
6 special, incidental, consequential, punitive, exemplary or otherwise, injunctive
7 relief, declaratory relief, recession or recessionary damages, interest, attorneys’
8 fees, expert or consulting fees, costs, or expenses), accrued or unaccrued, known or
9 unknown, arising under federal, state, common, administrative, or foreign law, or
10 any other law, rule, or regulation.

11 **1.8.** “Claims Administrator” means Strategic Claims Services,
12 which shall administer the Settlement.

13 **1.9.** “Court” means the United States District Court for the Central
14 District of California, or if this Action is transferred to another court, the transferee
15 court.

16 **1.10.** “Defendants” means FAT Brands, Inc., Andrew Wiederhorn,
17 Ron Roe, Ken Kuick, Squire Junger, Silvia Kessel, James Neuhauser, Edward H.
18 Rensi, and Rebecca Hershinger.

19 **1.11.** “Defense Counsel” means Sheppard, Mullin, Richter &
20 Hampton LLP and Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C.

21 **1.12.** “Escrow Account” means an interest-bearing escrow account
22 established by the Escrow Agent at The Huntington National Bank. The Escrow
23 Account shall be managed by the Escrow Agent, subject to the Court’s supervisory
24 authority, for the benefit of Plaintiffs and the Settlement Class in accordance with
25 the terms of the Stipulation and any order of the Court, provided that, unless this
26 Stipulation otherwise permits, no amount shall be withdrawn from the Escrow
27
28

1 Account prior to the Effective Date absent written approval of Defendants or their
2 counsel, or an order of the Court after notice to Defendants.

3 **1.13.** “Escrow Agent” means The Huntington National Bank. The
4 Escrow Agent shall perform the duties set forth in this Stipulation and any order of
5 the Court.

6 **1.14.** “Effective Date” shall have the meaning set forth in ¶10.5 of this
7 Stipulation.

8 **1.15.** “Final” when referring to the Final Judgment means exhaustion
9 of all possible appeals, meaning (i) if no appeal or request for review is filed, the
10 day after the date of expiration of any time for appeal or review of the Final
11 Judgment, and (ii) if an appeal or request for review is filed, the day after the date
12 the appeal or request for review is dismissed, or the Final Judgment is upheld on
13 appeal or review in all material respects, and is not subject to further review on
14 appeal or by *certiorari* or otherwise; provided, however, that any dispute or appeals
15 relating solely to the amount, payment or allocation of attorneys’ fees and expenses
16 or the Plan of Allocation shall have no effect on finality for purposes of determining
17 the date on which the Final Judgment becomes Final.

18 **1.16.** “Final Judgment” means the order and judgment to be entered
19 by the Court finally approving the Settlement, materially in the form attached hereto
20 as Exhibit B.

21 **1.17.** “Lead Counsel” means The Rosen Law Firm, P.A.

22 **1.18.** “Long Notice” means the Notice of Pendency and Proposed
23 Settlement of Class Action, substantially in the form attached hereto as Exhibit A-
24 1.

25 **1.19.** “Net Settlement Fund” means the Settlement Fund, less: (i) the
26 Fee and Expense Awards; (ii) Administrative Costs; (iii) Taxes and Tax Expenses;
27
28

(iv) any Award to Plaintiffs; and (v) other fees and expenses authorized by the Court.

1.20. “Notice” means collectively, the Long Notice, the Summary Notice, and the Postcard Notice, which are to be made available to Settlement Class Members substantially in the forms attached hereto as Exhibits A-1, A-3, and A-4, respectively, on the Claims Administrator’s website and/or mailed to Settlement Class Members.

1.21. “Party” means any one of, and “Parties” means all of Defendants and Plaintiffs (individually and on behalf of the Settlement Class).

1.22. “Person” means an individual, corporation, fund, limited liability corporation, professional corporation, limited liability partnership, partnership, limited partnership, association, joint stock company, estate, legal representative, trust, unincorporated association, government or any political subdivision or agency thereof, and any business or legal entity and their spouses, heirs, predecessors, successors, representatives, or assigns.

1.23. “Plaintiffs” means Robert J. Matthews and Michael Melendez.

1.24. “Plaintiffs’ Counsel” means Lead Counsel, Pomerantz LLP, and Bronstein, Gerwitz & Grossman, LLC.

1.25. “Plan of Allocation” means a plan or formula for allocating the Settlement Fund to Authorized Claimants after payment of Administrative Costs, Taxes and Tax Expenses, and such attorneys’ fees, costs, and expenses as may be awarded by the Court. The Plan of Allocation is not a condition to the effectiveness of this Stipulation, and the Released Parties shall have no responsibility or liability, with respect thereto.

1.26. “Postcard Notice” means the Postcard Notice, substantially in the form attached hereto as Exhibit A-4, alerting potential Settlement Class Members to the availability of the Long Notice and containing instructions on how

1 Settlement Class Members can obtain copies of the Long Notice and Proof of Claim
2 either by electronic means or by mail.

3 **1.27. “Preliminary Approval Order”** means an order preliminarily
4 approving the Settlement and directing notice thereof to the Settlement Class,
5 substantially in the form of the proposed order attached hereto as Exhibit A.

6 **1.28. “Proof of Claim”** means the Proof of Claim and Release Form
7 to be submitted by Claimants, substantially in the form attached hereto as Exhibit
8 A-2.

9 **1.29. “Related Parties”** means, with respect to each Released Party,
10 the immediate family members, employees, officers, directors, attorneys, legal
11 representatives, insurers, reinsurers, and agents of each of them, and any person or
12 entity which is or was related to or affiliated with any Released Party or in which
13 any Released Party has a controlling interest, and their present and former parents,
14 subsidiaries, variable interest entities, divisions, affiliates, employees, officers,
15 directors, attorneys, legal representatives, insurers, reinsurers, and agents, and the
16 predecessors, heirs, administrators, successors and assigns of the foregoing.

17 **1.30. “Released Claims”** means and includes any and all Claims and
18 Unknown Claims (as defined in ¶1.41) that have been or could have been asserted
19 by or on behalf of any of the Releasing Parties, in any capacity, which arise out of,
20 are based upon, or relate in any way to the purchase, acquisition, sale, or disposition
21 of any FAT Brands publicly traded securities during the Settlement Class Period,
22 including but not limited to any claims alleged in the Action and any claims related
23 to the allegations, facts, transactions, events, matters, occurrences, acts, disclosures,
24 representations, omissions, failures to act, filings, publications, or presentations
25 involved, related to, set forth, alleged or referred to in the Action. Notwithstanding
26 the foregoing, “Released Claims” does not include claims to enforce the terms of
27
28

1 this Stipulation or orders or judgments issued by the Court in connection with this
2 Settlement.

3 **1.31. “Released Parties”** means Defendants and each and all of their
4 Related Parties, their respective families, parent entities, associates, affiliates or
5 subsidiaries, and each and all of their respective past, present or future officers,
6 directors, stockholders, agents, representatives, employees, attorneys, financial or
7 investment advisors, advisors, insurers, co-insurers and reinsurers, heirs, executors,
8 general or limited partners or partnerships, personal or legal representatives, estates,
9 administrators, predecessors, successors and assigns.

10 **1.32. “Releasing Parties”** means Plaintiffs, each and every Settlement
11 Class Member and each of their respective parent entities, associates, affiliates,
12 subsidiaries, predecessors, successors, assigns, attorneys, immediate family
13 members, heirs, representatives, administrators, executors, devisees, legatees, and
14 estates, whether or not they object to the Settlement set forth in this Stipulation, and
15 whether or not they make a claim for payment from the Net Settlement Fund.

16 **1.33. “Settlement”** means the settlement contemplated by this
17 Stipulation.

18 **1.34. “Settlement Amount”** means a total of three million dollars
19 (\$3,000,000), of which two and a half million dollars (\$2,500,000) shall be paid in
20 cash and five hundred thousand dollars (\$500,000) shall be paid in shares of FAT
21 Brands Class A common stock as detailed below.

22 **1.35. “Settlement Class”** means all persons and entities who
23 purchased publicly traded FAT Brands securities between December 4, 2017 and
24 February 18, 2022, both dates inclusive, and who were damaged thereby. Excluded
25 from the Settlement Class are: Defendants; the present and former officers,
26 directors, and affiliates of FAT Brands at all relevant times; FAT Brands’ employee
27 retirement or benefit plan(s) and their participants or beneficiaries to the extent they
28

1 purchased or acquired FAT Brands securities through any such plan(s); immediate
2 family members, legal representatives, heirs, successors or assigns of any excluded
3 person or entity; and any entity affiliated with any excluded person or in which any
4 excluded person or entity has a controlling interest. Also excluded from the
5 Settlement Class are those persons or entities who do not have compensatory losses
6 and those who file valid and timely requests for exclusion in accordance with the
7 Preliminary Approval Order.

8 **1.36.** “Settlement Class Member” means any one of, and “Settlement
9 Class Members” means all of, the members of the Settlement Class.

10 **1.37.** “Settlement Class Period” means the period from December 4,
11 2017 through February 18, 2022, both dates inclusive.

12 **1.38.** “Settlement Fund” means all funds and Settlement Shares,
13 including any proceeds from the sale or disposition of the Settlement Shares,
14 transferred to the Escrow Account or Escrow Agent pursuant to this Stipulation and
15 any interest or other income earned thereon.

16 **1.39.** “Settlement Hearing” means the hearing at or after which the
17 Court will make a final decision pursuant to Rule 23 of the Federal Rules of Civil
18 Procedure as to whether the Settlement contained in the Stipulation is fair,
19 reasonable and adequate, and therefore, should receive final approval from the
20 Court.

21 **1.40.** “Summary Notice” means the Summary Notice of Pendency
22 and Proposed Class Action Settlement that the Claims Administrator will cause to
23 be published, substantially in the form attached hereto as Exhibit A-3.

24 **1.41.** “Unknown Claims” means all Claims of every nature and
25 description which Plaintiffs or any Settlement Class Member do not know or
26 suspect to exist in their favor at the time of the release of the Released Parties which,
27 if known by them, might have affected their decision with respect to the settlement
28

1 with and release of the Released Parties, including without limitation any decision
2 not to opt-out or object to this Settlement.

3 **2. The Settlement Consideration**

4 **2.1.** In consideration of the full and final release, settlement, and
5 discharge of all Released Claims against the Released Parties:

6 (a) Within five Business Days after the entry of the Preliminary
7 Approval Order, Lead Counsel shall provide Defendants with
8 complete and accurate payment instructions and a W-9 for the
9 Settlement Fund and Escrow Account, including stock issuance
10 instructions.

11 (b) Within 10 Business Days after receiving payment instructions
12 from Lead Counsel, FAT Brands shall pay, or cause to be paid, for the
13 benefit of the Settlement Class, \$2,500,000 cash into the Escrow
14 Account.

15 (c) Within five Business Days after the Effective Date, FAT Brands
16 will cause its transfer agent to issue to the Escrow Agent \$500,000
17 worth of FAT Brands Class A common stock in book entry form
18 (“Settlement Shares”). The number of Settlement Shares shall be
19 determined by dividing \$500,000 by the volume-weighted average
20 closing price on NASDAQ of FAT Brands Class A common stock on
21 the 10 trading days immediately preceding and including the Effective
22 Date (such that the Effective Date is the tenth consecutive trading day).
23 The Settlement Shares shall be duly and validly issued, fully paid, non-
24 assessable and free from all liens and encumbrances. Plaintiffs shall
25 request that the Court find and order in its Final Judgment that the
26 exchange of the Settlement Shares for \$500,000 of the Released
27 Claims is fair to the Plaintiffs and the Settlement Class Members, and
28

1 therefore exempt from registration under Section 3(a)(10) of the
2 Securities Act of 1933, as amended. Once the Court approves and
3 makes this finding, FAT Brands' counsel shall issue a letter to FAT
4 Brands' transfer agent authorizing the issuance of the Settlement
5 Shares to the Escrow Agent pursuant to the terms of this ¶2.1(c). In the
6 event the Court does not make such a finding, FAT Brands shall in its
7 discretion either (1) pay all expenses and take such actions as are
8 necessary to promptly register and issue the Settlement Shares to the
9 Escrow Agent under a registration statement filed with the SEC; or (2)
10 pay or cause to be paid \$500,000 in cash (in addition to the amount
11 paid under ¶2.1(b) hereto) into the Escrow Account for the benefit of
12 the Settlement Class within 10 Business Days of entry of the Final
13 Judgment. The Escrow Agent and Lead Counsel shall hold the
14 Settlement Shares as fiduciaries for the benefit of the Settlement Class
15 Members. Lead Counsel shall have the option, in its sole discretion but
16 consistent with its fiduciary duties to the Settlement Class Members,
17 to sell, or cause to be sold, all or any portion of the Settlement Shares
18 for the benefit of the Settlement Class Members, provided that the
19 proceeds of any such sale(s) shall be placed in the Escrow Account and
20 considered part of the Settlement Fund. Neither Plaintiffs, the
21 Settlement Class Members, nor the Defendants shall have a claim
22 against Lead Counsel or Plaintiffs, or any of their agents, based on the
23 disposition or distribution of the Settlement Shares made in accordance
24 with this Stipulation. The Parties acknowledge and understand that the
25 Settlement Shares may be sold for more or less than \$500,000, and
26 Defendants shall have no obligation to ensure that a minimum cash
27 amount is received upon sale of the Settlement Shares.
28

1 **2.2.** The obligations incurred pursuant to this Agreement shall be in
 2 full and final disposition and settlement of all Released Claims. Plaintiffs and
 3 Settlement Class Members shall look solely to the Settlement Fund (including the
 4 Settlement Shares and any proceeds from the sale(s) or disposition thereof) as full,
 5 final, and complete satisfaction of all Released Claims. Under no circumstances will
 6 Defendants be required to pay, or cause payment of, more than the Settlement
 7 Amount pursuant to this Stipulation or the Settlement for any reason whatsoever,
 8 including, without limitation, as Administrative Costs, as compensation to any
 9 Settlement Class Member, as payment of Plaintiffs' or any Settlement Class
 10 Member's attorneys' fees and expenses, or in payment of any fees, expenses, costs,
 11 liability, losses, Taxes, or damages whatsoever alleged or incurred by Plaintiffs, any
 12 Settlement Class Member or Lead Counsel, including but not limited to their
 13 attorneys, experts, advisors, agents, or representatives.

14 **3. Handling and Disbursement of Funds by the Escrow Agent**

15 **3.1.** No monies will be disbursed from the Settlement Fund prior to
 16 the Effective Date except:

- 17 (a) As provided in ¶3.4 below;
- 18 (b) As provided in ¶8.2 below;
- 19 (c) As provided in ¶10.10 below, if applicable; and
- 20 (d) To pay Taxes and Tax Expenses (as defined in ¶4.1
- 21 below). Taxes and Tax Expenses shall be paid out of the Settlement Fund and shall
- 22 be considered to be a cost of administration of the Settlement and shall be timely
- 23 paid by the Escrow Agent without prior Order of the Court.

24 **3.2.** The Escrow Agent shall invest the Settlement Fund in short term
 25 instruments backed by the full faith and credit of the United States Government or
 26 fully insured by the United States Government or an agency thereof and shall
 27 reinvest the proceeds of these instruments as they mature in similar instruments at
 28

1 their then-current market rates. The Escrow Agent shall bear all responsibility and
2 liability for managing the Escrow Account and cannot assign or delegate its
3 responsibilities without approval of the Parties. Defendants, their counsel, their
4 insurers, and the other Released Parties shall have no responsibility for, interest in,
5 or any liability whatsoever with respect to any investment or management decisions
6 executed by the Escrow Agent. The Settlement Fund shall bear all risks related to
7 the investments of the Settlement Amount in accordance with the guidelines set
8 forth in this ¶3.2.

9 **3.3.** The Escrow Agent shall not disburse the Settlement Fund except
10 as provided in this Stipulation, by an order of the Court, or with the written
11 agreement of Defendants.

12 **3.4.** At any time after the Court grants preliminary approval of the
13 Settlement, the Escrow Agent may, without further approval from Defendants or
14 the Court, disburse at the direction of Lead Counsel up to \$150,000 from the
15 Settlement Fund prior to the Effective Date to pay Administrative Costs. After the
16 Effective Date, up to an additional \$100,000 may be transferred from the Settlement
17 Fund to pay for any reasonable and necessary Administrative Costs without further
18 order of the Court.

19 **4. Taxes**

20 **4.1.** The Parties agree to treat the Settlement Fund as being at all
21 times a “qualified settlement fund” within the meaning of Treasury Regulation
22 § 1.468B-1. In addition, Lead Counsel shall timely make, or cause to be made via
23 the Escrow Agent, such elections as necessary or advisable to carry out the
24 provisions of this ¶4.1, including the “relation-back election” (as defined in
25 Treasury Regulation § 1.468B-1) back to the earliest permitted date. Such elections
26 shall be made in compliance with the procedures and requirements contained in
27 such regulations. It shall be the responsibility of Lead Counsel to timely and
28

1 properly prepare and deliver the necessary documentation for signature by all
2 necessary parties, and thereafter to cause the appropriate filing to occur. Upon
3 written request, the Released Parties will timely provide to Lead Counsel the
4 statement described in Treasury Regulation § 1.468B-3(e).

5 **(a)** For purposes of § 1.468B of the Internal Revenue Code of 1986,
6 as amended, and Treasury Regulation § 1.468B-2(k)(3) promulgated thereunder,
7 the “administrator” shall be Lead Counsel. Lead Counsel shall timely and properly
8 file, or cause to be filed via the Escrow Agent, all informational and other tax returns
9 necessary or advisable with respect to the Settlement Fund (including without
10 limitation the returns described in Treasury Regulation § 1.468B-2(k)). Such returns
11 (as well as the election described in this ¶4.1) shall be consistent with this ¶4.1 and
12 in all events shall reflect that all Taxes (including any estimated Taxes, interest or
13 penalties) on the income earned by the Settlement Fund shall be paid out of the
14 Settlement Fund.

15 **(b)** All Taxes (including any estimated Taxes, interest or penalties)
16 arising with respect to the income earned by the Settlement Fund, including any
17 taxes or tax detriments that may be imposed upon the Released Parties with respect
18 to (i) any income earned by the Settlement Fund for any period during which the
19 Settlement Fund does not qualify as a “qualified settlement fund” for federal or state
20 income tax purposes, and (ii) the payment or reimbursement by the Settlement Fund
21 of any taxes or tax detriments described in clause (i) (“Taxes”), and all expenses
22 and costs incurred in connection with the operation and implementation of this ¶4.1
23 (including, without limitation, expenses of tax attorneys and/or accountants and
24 mailing and distribution costs and expenses or penalties relating to filing (or failing
25 to file) the returns described in this ¶4.1) (“Tax Expenses”), shall be paid out of the
26 Settlement Fund, as appropriate. The Released Parties shall have no liability or
27 responsibility for the Taxes or the Tax Expenses. Taxes and Tax Expenses shall be
28

1 treated as, and considered to be, a cost of administration of the Settlement and shall
 2 be timely paid out of the Settlement Fund without prior order from the Court. The
 3 Escrow Agent shall be obligated (notwithstanding anything herein to the contrary)
 4 to withhold from distribution to Authorized Claimants any funds necessary to pay
 5 such amounts, including the establishment of adequate reserves for any Taxes and
 6 Tax Expenses (as well as any amounts that may be withheld under Treasury
 7 Regulation § 1.468B-2(1)(2)). The Released Parties shall have no responsibility for,
 8 interest in, or any liability whatsoever with respect to the acts or omissions of Lead
 9 Counsel or the Escrow Agent with respect to the foregoing provided in this ¶4.1.
 10 The Parties agree to cooperate with each other, and their tax attorneys and
 11 accountants, to the extent reasonably necessary to carry out the provisions of this
 12 ¶4.1.

13 **5. Preliminary Approval Order, Notice Order, and Settlement**
 14 **Hearing**

15 **5.1.** As soon as practicable after execution of this Stipulation,
 16 Plaintiffs shall submit this Stipulation and its exhibits to the Court and shall move
 17 for preliminary approval of the Settlement set forth in this Stipulation, entry of a
 18 preliminary approval order, and approval for the mailing and dissemination of
 19 notice, substantially in the form of Exhibits A, A-1, A-2, A-3, and A-4. The
 20 Postcard Notice (Exhibit A-4) shall inform potential Class Members of the
 21 availability of the Long Notice either by first class mail, postage pre-paid, or by
 22 electronic delivery. The Long Notice (Exhibit A-1) shall include the general terms
 23 of the Settlement and the provisions of the Plan of Allocation, and shall set forth
 24 the procedure by which recipients of the Notice may object to the Settlement or the
 25 Plan of Allocation or request to be excluded from the Settlement Class. The date
 26 and time of the Settlement Hearing shall be added to the Notice before it is mailed
 27 or otherwise provided to Settlement Class Members.
 28

1 **5.2.** At the time of the submission described in ¶5.1 hereof,
2 Plaintiffs shall request that, after the Notice is provided, the Court hold the
3 Settlement Hearing and (i) approve the Settlement as set forth herein, and (ii) enter
4 a final order and judgment substantially in the form of Exhibit B hereto, as promptly
5 after the Settlement Hearing as possible.

6 **5.3.** It shall be Lead Counsel's sole responsibility to disseminate the
7 Notice to the Settlement Class in accordance with this Stipulation and as ordered
8 by the Court. Defendants shall not bear any cost or responsibility for the Notice, the
9 administration, or the allocation of the settlement amount among Settlement Class
10 Members. Settlement Class Members shall have no recourse as to the Released
11 Parties with respect to any claims they may have that arise from any failure of the
12 notice process.

13 **5.4.** To assist in dissemination of notice, FAT Brands will provide to
14 Lead Counsel transfer records information reasonably available to FAT Brands
15 concerning the identity of Settlement Class Members, including any names and
16 addresses of Settlement Class Members and nominees or custodians that exist in
17 such transfer records ("Settlement Class Information"). FAT Brands shall provide
18 transfer records containing the Settlement Class Information to Lead Counsel or the
19 Claims Administrator, at no cost to Plaintiffs or the Settlement Class, within 15
20 Business Days after the Court signs an order preliminarily approving the
21 Settlement, in electronic searchable form, such as an Excel spreadsheet or other
22 form as is reasonably available to FAT Brands. The Parties acknowledge that any
23 information FAT Brands provides to Lead Counsel or the Claims Administrator
24 pursuant to this ¶5.4 shall be treated as confidential and will be used by Lead
25 Counsel and/or the Claims Administrator solely to deliver the Notice and/or
26 implement the Settlement, including the Plan of Allocation.

1 **5.5.** No later than 10 days following the filing of this Stipulation with
2 the Court, Defendants shall serve, or cause to be served, the notice required under
3 the Class Action Fairness Act of 2005 (“CAFA”). No later than 21 days following
4 the filing of this Stipulation with the Court, Defendants shall file with the Court an
5 affidavit or declaration regarding their compliance with the CAFA notice
6 requirements.

7 **6. Releases and Covenants Not to Sue**

8 **6.1.** Upon the Effective Date, the Releasing Parties, regardless of
9 whether any such Releasing Party ever seeks or obtains by any means, including
10 without limitation by submitting a Proof of Claim, any disbursement from the
11 Settlement Fund, shall be deemed to have, and by operation of the Final Judgment
12 shall have, fully, finally, and forever released, relinquished, and discharged all
13 Released Claims against the Released Parties and shall have covenanted not to sue
14 the Released Parties with respect to all such Released Claims, and shall be
15 permanently barred and enjoined from asserting, commencing, prosecuting,
16 instituting, assisting, instigating, or in any way participating in the commencement
17 or prosecution of any action or other proceeding, in any forum, asserting any
18 Released Claim, in any capacity, against any of the Released Parties, and agree and
19 covenant not to sue any of the Released Parties on the basis of the Released Claims
20 or to assist any third party in commencing or maintaining any suit against the
21 Released Parties related to any Released Claims, whether or not such Settlement
22 Class Member executes and delivers a Proof of Claim Form, seeks or obtains a
23 distribution from the Settlement Fund, is entitled to receive a distribution under the
24 Plan of Allocation approved by the Court, or has objected to any aspect of the
25 Stipulation or the Settlement, the Plan of Allocation, or Lead Counsel’s application
26 for an award of attorneys’ fees or expenses. For the avoidance of doubt, Defendants
27 are released from any and all claims for contribution or indemnity, as would
28

1 otherwise be allowed by Section 21D of the Exchange Act, 15 U.S.C. §78u-4(f)(7).
 2 Nothing contained herein shall, however, bar the Releasing Parties from bringing
 3 any action or claim to enforce the terms of this Stipulation or the Final Judgment.
 4 Nor shall anything contained herein limit or release any claims Defendants may
 5 have with regard to insurance coverage that may be available to them under any
 6 applicable policy. This release shall not apply to any Settlement Class Members
 7 who timely and validly excludes themselves from the Settlement Class.

8 **6.2.** With respect to any and all Released Claims, the Parties
 9 stipulate and agree that, upon the Effective Date, the Releasing Parties shall
 10 expressly waive, shall be deemed to have waived, and by operation of the Final
 11 Judgment shall have waived, the provisions, rights, and benefits of California Civil
 12 Code § 1542, which provides:

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

18 With respect to any and all Released Claims, the Releasing Parties shall expressly
 19 waive, shall be deemed to have waived, and by operation of the Final Judgment
 20 shall have waived, any and all provisions, rights and benefits conferred by any law
 21 of any state, territory, foreign country or principle of common law, which is similar,
 22 comparable or equivalent to California Civil Code § 1542. The Releasing Parties
 23 may hereafter discover facts in addition to or different from those which they now
 24 know or believe to be true with respect to the Released Claims, but the Releasing
 25 Parties shall expressly, fully, finally, and forever settle and release, and upon the
 26 Effective Date, shall be deemed to have, and by operation of the Final Judgment
 27 shall have, fully, finally, and forever settled and released, any and all Released
 28

1 Claims, known or unknown, suspected or unsuspected, contingent or
2 noncontingent, whether or not concealed or hidden, which now exist, or heretofore
3 have existed, upon any theory of law or equity now existing or coming into
4 existence in the future, including, but not limited to, conduct which is negligent,
5 intentional, with or without malice, or a breach of fiduciary duty, law or rule,
6 without regard to the subsequent discovery or existence of such different or
7 additional facts. The Releasing Parties acknowledge, and shall be deemed by
8 operation of the Final Judgment to have acknowledged, that the foregoing waiver
9 was separately bargained for and a key element of the Settlement of which this
10 release is a part.

11 **6.3.** Upon the Effective Date, the Released Parties shall be deemed
12 to have, and by operation of the Final Judgment shall have, fully, finally, and
13 forever released, relinquished, and discharged all claims they may have against the
14 Releasing Parties, including Settlement Class Members and Plaintiffs' Counsel,
15 related to the prosecution of the Action or any other known or unknown counter-
16 claim related thereto and shall have covenanted not to sue the Releasing Parties,
17 including Settlement Class Members and Plaintiffs' Counsel, with respect to any
18 counter claim, claim, or sanction related to the Released Claims, and shall be
19 permanently barred and enjoined from asserting, commencing, prosecuting,
20 instituting, assisting, instigating, or in any way participating in the commencement
21 or prosecution of any action or other proceeding, in any forum, asserting any such
22 claim, in any capacity, against any of the Releasing Parties, including Settlement
23 Class Members and Plaintiffs' Counsel, and agree and covenant not to sue any of
24 the Releasing Parties, including Settlement Class Members and Plaintiffs' Counsel,
25 on the basis of any such claim or to assist any third party in commencing or
26 maintaining any suit against the Releasing Parties related to any such claim.

1 Nothing contained herein shall, however, bar the Released Parties from bringing
2 any action or claim to enforce the terms of this Stipulation or the Final Judgment.

3 **6.4.** The releases provided in this Stipulation shall become effective
4 immediately upon occurrence of the Effective Date without the need for any further
5 action, notice, condition, or event. The Releasing Parties shall be deemed to
6 acknowledge that, as of the Effective Date, the releases given herein shall become
7 effective immediately by operation of the Final Judgment and shall be permanent,
8 absolute, and unconditional.

9 **7. Administration and Calculation Of Claims, Final Awards And**
10 **Supervision And Distribution Of The Settlement Fund**

11 **7.1.** Under the supervision of Lead Counsel, acting on behalf of the
12 Settlement Class, and subject to such supervision and direction of the Court as may
13 be necessary or as circumstances may require, the Claims Administrator shall
14 administer and calculate the claims submitted by Settlement Class Members and
15 shall oversee distribution of the Net Settlement Fund (as defined below) to
16 Authorized Claimants. After the Effective Date, Lead Counsel shall apply to the
17 Court, on notice to the Parties, for the Settlement Fund Distribution Order.

18 **7.2.** The Settlement Fund shall be applied as follows:

19 (a) To pay the Taxes and Tax Expenses described in ¶4.1
20 above;

21 (b) To pay Administrative Costs;

22 (c) To pay Lead Counsel's attorneys' fees and expenses, and
23 payments to Plaintiffs for reimbursement of their time and expenses ("Fee and
24 Expense Award"), to the extent allowed by the Court; and

25 (d) To distribute the balance of the Settlement Fund, that is,
26 the Settlement Fund less the items set forth in ¶¶7.2(a)-(c) hereof, plus all accrued
27
28

1 interest (“Net Settlement Fund”) to the Authorized Claimants as allowed by this
2 Stipulation, the Plan of Allocation, or the Court.

3 **7.3.** Upon and after the Effective Date, the Net Settlement Fund shall
4 be distributed to Authorized Claimants in accordance with the terms of the Plan of
5 Allocation set forth in the Notice and any orders of the Court. No Person shall have
6 any claims against Lead Counsel, the Claims Administrator, or any other agent
7 designated by Lead Counsel based on distribution determinations or claim
8 rejections made substantially in accordance with this Stipulation and the Settlement
9 contained herein, the Plan of Allocation, or orders of the Court. Lead Counsel shall
10 have the right, but not the obligation, to waive what it deems to be formal or
11 technical defects in any Proofs of Claim filed, where doing so is in the interest of
12 achieving substantial justice.

13 **7.4.** This is not a claims-made settlement, and if all conditions of the
14 Stipulation are satisfied and the Final Judgment becomes Final, no portion of the
15 Settlement Fund will be returned to Defendants. Defendants, their counsel, their
16 insurers, and the other Released Parties shall have no responsibility for,
17 involvement in, interest in, or liability whatsoever with respect to the investment or
18 distribution of the Net Settlement Fund, the Plan of Allocation, the determination,
19 administration, or calculation of claims, the payment or withholding of Taxes or
20 Tax Expenses, or any losses incurred in connection therewith. In no instance shall
21 any Defendant be required to pay any amount other than as specified in Paragraph
22 2.1.

23 **7.5.** The Claims Administrator shall administer the Settlement
24 subject to the jurisdiction of the Court and pursuant to this Stipulation and the Plan
25 of Allocation. Plaintiffs and Lead Counsel shall be solely responsible for
26 formulation of the Plan of Allocation. It is understood and agreed by the Parties that
27 any proposed Plan of Allocation of the Net Settlement Fund including, but not
28

1 limited to, any adjustments to an Authorized Claimant's claim set forth therein, is
2 not a condition of this Stipulation and is to be considered by the Court separately
3 from the Court's consideration of the fairness, reasonableness, and adequacy of the
4 Settlement. Any order or proceedings relating to the Plan of Allocation, or any
5 appeal from any order relating thereto or reversal or modification thereof, shall not
6 operate to modify, terminate or cancel this Stipulation, or affect or delay the finality
7 of the Final Judgment and the releases contained therein, or any other orders entered
8 pursuant to this Stipulation.

9 **7.6.** Each Claimant shall be deemed to have submitted to the
10 jurisdiction of the Court with respect to the Claimant's claim, and the claim will be
11 subject to investigation and discovery under the Federal Rules of Civil Procedure,
12 provided that such investigation and discovery shall be limited to that Claimant's
13 status as a Settlement Class Member and the validity of the amount of the
14 Claimant's claim. No discovery shall be allowed on the merits of the Action or
15 Settlement in conjunction with the processing of the Proofs of Claim.

16 **7.7.** Payment pursuant to this Stipulation shall be deemed final and
17 conclusive against all Claimants. All Claimants whose claims are not approved by
18 the Court shall be barred from participating in the distribution from the Net
19 Settlement Fund, but otherwise shall be bound by all of the terms of this Stipulation
20 and the Settlement, including the terms of the Final Judgment to be entered in this
21 Action and the releases provided for herein, and will be barred from bringing any
22 action against the Released Parties concerning the Released Claims.

23 **7.8.** All proceedings with respect to the administration, processing,
24 and determination of claims and all controversies relating thereto, including
25 disputed questions of law and fact with respect to the validity of claims, shall be
26 subject to the jurisdiction of this Court, but shall not delay or affect the finality of
27 the Final Judgment.
28

1 **7.9.** Neither the Parties nor their counsel shall have any
2 responsibility for or liability whatsoever with respect to: (i) any act, omission, or
3 determination of the Escrow Agent or the Claims Administrator, or any of their
4 respective designees or agents, in connection with the administration of the
5 Settlement Fund or otherwise; (ii) the Plan of Allocation; (iii) the determination,
6 administration, calculation, or payment of any claims asserted against the
7 Settlement Fund; (iv) any losses suffered by, or fluctuations in the value of, the
8 Settlement Fund; or (v) the payment or withholding of any Taxes, expenses, and/or
9 costs incurred in connection with the taxation of the Settlement Fund or the filing
10 of any returns.

11 **8. Lead Counsel’s Attorneys’ Fees and Reimbursement of Expenses**

12 **8.1.** Lead Counsel may submit an application or applications (“Fee
13 and Expense Application”) for distributions from the Settlement Fund to Lead
14 Counsel for a Fee and Expense Award consisting of: (i) an award of attorneys’ fees
15 from the Settlement Fund; (ii) reimbursement of actual costs and expenses,
16 including the fees and expenses of any experts or consultants, incurred in
17 connection with prosecuting the Action; and (iii) an Award to Plaintiffs as payment
18 to Plaintiffs for reimbursement of their time and expenses in connection with the
19 Action. Defendants shall take no position with respect to the Fee and Expense
20 Application. Lead Counsel’s application for an award of attorneys’ fees or litigation
21 expenses is not the subject of any agreement between Defendants and Plaintiffs
22 other than what is set forth in this Stipulation.

23 **8.2.** Any attorneys’ fees and expenses awarded to Lead Counsel by
24 the Court shall be paid to Lead Counsel from the Escrow Account within five
25 Business Days of the date the Court enters an order approving the Fee and Expense
26 Award, notwithstanding the existence of any timely filed objections to any Fee and
27 Expense Award, or potential for appeal therefrom, or collateral attack on the
28

1 Settlement or any part thereof, and subject to Lead Counsel's obligation to make
 2 appropriate refunds or repayments to the Settlement Fund, plus interest earned
 3 thereon, within 10 Business Days if and when the Settlement is terminated in
 4 accordance with its terms or, as a result of any appeal and/or further proceedings on
 5 remand, or successful collateral attack, the Fee and Expense Award is reduced.

6 **8.3.** The procedure for, and allowance or disallowance by the Court
 7 of, the Fee and Expense Application are not a condition of the Settlement set forth
 8 in this Stipulation and are to be considered by the Court separately from the Court's
 9 consideration of the fairness, reasonableness, and adequacy of the Settlement. Any
 10 order or proceeding relating to the Fee and Expense Application, or any objection
 11 to, motion regarding, or appeal from any order or proceeding relating thereto or
 12 reversal or modification thereof, shall not operate to modify, terminate or cancel
 13 this Stipulation, or affect or delay the finality of the Final Judgment or the releases
 14 contained therein or any other orders entered pursuant to this Stipulation.

15 **8.4.** Any Fee and Expense Award paid to Lead Counsel or Award to
 16 Plaintiffs shall be paid solely from the Settlement Fund and shall reduce the
 17 settlement consideration paid to the Settlement Class accordingly. Defendants shall
 18 not have any responsibility for payment of Lead Counsel's attorneys' fees and
 19 expenses or other award to Plaintiffs beyond the obligation of FAT Brands to fund,
 20 or cause to be funded, the Settlement Amount as set forth in ¶2.1 above. The
 21 Released Parties shall have no responsibility for, and no liability whatsoever with
 22 respect to, any payments to Lead Counsel, Plaintiffs, the Settlement Class and/or
 23 any other Person who receives payment from the Settlement Fund.

24 **9. Class Certification**

25 **9.1.** The Parties agree that the Court should certify the Settlement
 26 Class for purposes of this Settlement only. For purposes of this Settlement only, in
 27 connection with the Final Judgment, Defendants shall consent to (i) the appointment
 28

of Plaintiffs as class representatives, (ii) the appointment of Lead Counsel as class counsel, and (iii) the certification of the Settlement Class pursuant to Rules 23(a) and (b)(3) of the Federal Rules of Civil Procedure.

9.2. In the event that the Final Judgment does not become Final or the Settlement fails to become effective for any reason, the Settlement Class shall be decertified without prejudice, and the Parties shall revert to their pre-settlement positions.

10. Conditions of Settlement, Effect of Disapproval, Cancellation or Termination

10.1. Plaintiffs, on behalf of the Settlement Class, and Defendants shall each have the right to terminate the Settlement and Stipulation by providing written notice of their election to do so (“Termination Notice”) to all other Parties within 10 Business Days of:

(a) entry of a Court order declining to enter the Preliminary Approval Order in all material respects;

(b) entry of a Court order refusing to approve this Stipulation in all material respects;

(c) entry of a Court order declining to enter the Final Judgment in all material respects, provided, however, that this Settlement is expressly not conditioned on the Court’s approval of the proposed Plan of Allocation, nor on the Court’s approval of Lead Counsel’s application for attorneys’ fees or expenses, nor on the Court’s approval of any award to Plaintiffs for its reasonable costs and expenses, and any change in the Judgment relating to these items shall not be considered a material change;

(d) entry of a Court order refusing to dismiss the Action with prejudice; or

1 (e) entry of an order by which the Final Judgment is modified
2 or reversed in any material respect by any appeal or review.

3 **10.2.** If the Settlement Amount is not paid into the Escrow Account,
4 and/or if the issuance of the Settlement Shares is not made, in accordance with ¶2.1
5 of this Stipulation, then Plaintiffs, on behalf of the Settlement Class, shall have the
6 right to: (a) terminate the Settlement and Stipulation by providing written notice to
7 Defendants at any time prior to the Court's entry of the Final Judgment; or (b)
8 enforce the terms of the Settlement and this Stipulation and seek a judgment
9 effecting the terms herein.

10 **10.3.** If, prior to the Settlement Hearing, persons who otherwise
11 would be Settlement Class Members have filed with the Court valid and timely
12 request for exclusion from the Settlement Class in accordance with the provision of
13 the Preliminary Approval Order and the Notice, and such persons in the aggregate
14 have purchased or otherwise acquired FAT Brands Class A common stock in an
15 amount that equals or exceeds the sum specified in a separate supplemental
16 agreement between the Parties ("Supplemental Agreement"), FAT Brands shall
17 have the option, but not the obligation, to terminate this Stipulation in accordance
18 with the procedures set forth in the Supplemental Agreement. The Supplemental
19 Agreement is confidential and will not be filed with the Court unless the Court so
20 requests, or a dispute arises among the Parties concerning its interpretation or
21 application, in which case the Parties will take reasonable steps to assure the
22 Supplemental Agreement is filed under seal or submitted for *in camera* review,
23 subject to the Court's approval and direction. The Parties will file a statement
24 identifying the existence of the Supplemental Agreement pursuant to Federal Rule
25 of Civil Procedure 23(e)(3). Copies of all requests for exclusion received, together
26 with copies of all revocations of request for exclusion (if any), shall be delivered to
27 FAT Brands' counsel within five days of receipt thereof.

1 **10.4.** If any Party engages in a material breach of the terms hereof,
2 any other Party, provided that it is in substantial compliance with the terms of this
3 Stipulation, may terminate this Stipulation on notice to all the Parties.

4 **10.5.** The Effective Date of this Stipulation shall not occur unless and
5 until each of the following events occurs, and it shall be the date upon which the
6 last in time of the following events occurs:

7 **(a)** The Court has entered the Preliminary Approval Order
8 attached hereto as Exhibit A or an order containing materially the same terms;

9 **(b)** The Court has approved the Settlement, following notice
10 to the Settlement Class and the Settlement Hearing, and has entered the Final
11 Judgment;

12 **(c)** The Action has been dismissed with prejudice; and

13 **(d)** The Final Judgment has become Final as defined in ¶1.15.

14 **10.6.** Upon the occurrence of the Effective Date, any and all interest
15 or right of Defendants in or to the Settlement Fund, shall be absolutely and forever
16 extinguished, except as set forth in this Stipulation.

17 **10.7.** In the event that some or all of the conditions specified in ¶10.5
18 above are not met, the Parties may agree in writing nevertheless to proceed with
19 this Stipulation and Settlement. However, none of the Parties, or any of them, shall
20 have any obligation whatsoever to proceed under any terms other than those
21 provided for and agreed herein.

22 **10.8.** In the event the Stipulation shall terminate, or be canceled, or
23 shall not become effective for any reason, the Parties and the Released Parties shall
24 be restored to their respective positions in the Action immediately prior to August
25 10, 2022, and they shall proceed in all respects as if the Stipulation had not been
26 executed and the related orders had not been entered, and in that event all of their
27
28

1 respective claims and defenses as to any issue in the Action shall be preserved
2 without prejudice.

3 **10.9.** In the event that the Stipulation is not approved by the Court or
4 the Settlement set forth in this Stipulation is terminated or fails to become effective
5 in accordance with its terms, the terms and provisions of this Stipulation, except as
6 otherwise provided herein, shall have no further force and effect with respect to the
7 Parties or the Released Parties and shall not be used in the Action or in any other
8 proceeding for any purpose, and any judgment or order entered by the Court in
9 accordance with the terms of this Stipulation shall be treated as vacated, *nunc pro*
10 *tunc*.

11 **10.10.** In the event the Stipulation shall be terminated, or be canceled,
12 or is incapable of becoming effective for any reason, within 10 Business Days after
13 the occurrence of such event, the Settlement Fund (less taxes already paid and any
14 Administrative Costs which have either been disbursed or are determined to be
15 chargeable) shall be refunded by the Escrow Agent to FAT Brands or such entity
16 as FAT Brands directs, as applicable, plus accrued interest attributable to that
17 amount, by check or wire transfer pursuant to written instructions from FAT
18 Brands' counsel. At the request of FAT Brands, the Escrow Agent or its designee
19 shall apply for any tax refund owed on the Settlement Fund and pay the proceeds,
20 after deduction of any fees or expenses incurred in connection with such
21 application(s) for refund, to FAT Brands or such entity as FAT Brands directs, as
22 applicable, pursuant to written direction from FAT Brands.

23 **10.11.** No order of the Court or modification or reversal on appeal of
24 any order of the Court or motion for reconsideration, appeal, petition for a writ of
25 *certiorari* or its equivalent concerning the Plan of Allocation or the Fee and Expense
26 Application shall in any way delay or preclude the Effective Date or constitute
27 grounds for cancellation or termination of the Stipulation.
28

1 **11. No Admission of Liability or Wrongdoing**

2 **11.1.** The Parties covenant and agree that neither this Stipulation,
3 whether or not consummated, (nor the Settlement contained therein), nor any of its
4 terms and provisions, nor any of the negotiations, documents, or proceedings
5 connected with them, is evidence, or an admission or concession by any Party or
6 their counsel, any Settlement Class Member, or any of the Released Parties, of any
7 fault, liability or wrongdoing whatsoever, as to any facts or claims alleged or
8 asserted or could have been alleged or asserted in the Action, or any other actions
9 or proceedings, or as to the validity or merit of any of the claims or defenses alleged
10 or asserted in any such action or proceeding. This Stipulation is not a finding or
11 evidence of the validity or invalidity of any claims or defenses alleged or asserted
12 or could have been alleged or asserted in the Action, any wrongdoing by any Party,
13 Settlement Class Member, or any of the Released Parties, or any damages or injury
14 to any Party, Settlement Class Member, or any Released Parties. Neither this
15 Stipulation, nor any of the terms and provisions of this Stipulation, nor any of the
16 negotiations or proceedings in connection therewith, nor any of the documents or
17 statements referred to herein or therein, nor the Settlement, nor the fact of the
18 Settlement, nor the Settlement proceedings, nor any statement in connection
19 therewith, (a) shall (i) be argued to be, used or construed as, offered or received in
20 evidence as, or otherwise constitute an admission, concession, presumption, proof,
21 evidence, or a finding of any, liability, fault, wrongdoing, injury or damages, or of
22 any wrongful conduct, acts or omissions on the part of any Released Party, or of
23 any infirmity of any defense, or of any damages to Plaintiffs or any other Settlement
24 Class Member, or (ii) otherwise be used to create or give rise to any inference or
25 presumption against any of the Released Parties concerning any fact or any
26 purported liability, fault, or wrongdoing of the Released Parties or any injury or
27 damages to any person or entity, or (b) shall otherwise be admissible, referred to or
28

1 used in any proceeding of any nature, for any purpose whatsoever, other than such
2 proceedings as may be necessary to effectuate the provisions of this Stipulation;
3 provided, however, that this Stipulation, the documents related hereto, or the Final
4 Judgment may be introduced in any proceeding, whether in the Court or otherwise,
5 as may be necessary to enforce the Settlement or Final Judgment, to effectuate the
6 liability protection granted them hereunder, to support a defense or counterclaim
7 based on principles of *res judicata*, collateral estoppel, release, good faith
8 settlement, judgment bar or reduction, offset or any other theory of claim preclusion
9 or issue preclusion or similar defense or counterclaim, or as otherwise required by
10 law.

11 **11.2.** Nothing in this Stipulation constitutes or reflects a waiver or
12 release of any rights or claims of any Defendant against his, her, or its insurers, or
13 insurers' subsidiaries, predecessors, successors, assigns, affiliates, or
14 representatives. Nothing in this Stipulation constitutes or reflects a waiver or release
15 of any rights or claims relating to indemnification, advancement, or any
16 undertakings by an indemnified party to repay amounts advanced or paid by way of
17 indemnification or otherwise.

18 **12. Miscellaneous Provisions**

19 **12.1.** Except in the event of the provision of a Termination Notice
20 pursuant to ¶10 of this Stipulation, the Parties shall take all actions necessary to
21 consummate this agreement; and agree to cooperate with each other to the extent
22 reasonably necessary to effectuate and implement all terms and conditions of the
23 Stipulation.

24 **12.2.** The Parties and their counsel represent that they will not
25 encourage or otherwise influence (or seek to influence) in any way whatsoever any
26 Settlement Class Members to request exclusion from, or object to, the Settlement.
27
28

1 **12.3.** Each of the attorneys executing this Stipulation, any of its
2 exhibits, or any related settlement documents on behalf of any Party hereto hereby
3 warrants and represents that he or she has been duly empowered and authorized to
4 do so by the Party he or she represents.

5 **12.4.** Plaintiffs and Plaintiffs' Counsel represent and warrant that
6 Plaintiffs are Settlement Class Members and none of Plaintiffs' claims or causes of
7 action against one or more Defendants in the Action, or referred to in this
8 Stipulation, or that could have been alleged against one or more Defendants in the
9 Action have been assigned, encumbered or in any manner transferred in whole or
10 in part.

11 **12.5.** This Stipulation constitutes the entire agreement between the
12 Parties related to the Settlement and supersedes any prior agreements. No
13 representations, warranties, promises, inducements or other statements have been
14 made to or relied upon by any Party concerning this Stipulation, other than the
15 representations, warranties and covenants expressly set forth herein. Plaintiffs, on
16 behalf of themselves and the Settlement Class, acknowledge and agree that any and
17 all other representations and warranties of any kind or nature, express or implied,
18 are specifically disclaimed and were not relied upon in connection with this
19 Stipulation. In entering this Stipulation, the Parties relied solely upon their own
20 knowledge and investigation. Except as otherwise provided herein, each Party shall
21 bear his, her, or its own costs.

22 **12.6.** This Stipulation may not be modified or amended, nor may any
23 of its provisions be waived, except by a writing signed by all Parties or their counsel
24 or their respective successors in interest.

25 **12.7.** This Stipulation shall be binding upon, and shall inure to the
26 benefit of, the Parties and their respective agents, successors, executors, heirs, and
27 assigns.

28

1 **12.8.** The Released Parties who do not appear on the signature lines
2 below are acknowledged and agreed to be third party beneficiaries of this
3 Stipulation and Settlement.

4 **12.9.** The headings herein are used for the purpose of convenience
5 only and are not meant to have legal effect.

6 **12.10.** This Stipulation may be executed in any number of counterparts
7 by any of the signatories hereto and the transmission of an original signature page
8 electronically (including by facsimile or portable document format) shall constitute
9 valid execution of the Stipulation as if all signatories hereto had executed the same
10 document. Copies of this Stipulation executed in counterpart shall constitute one
11 agreement.

12 **12.11.** This Stipulation, the Settlement, and any all disputes arising out
13 of or relating in any way to this Stipulation, whether in contract, tort or otherwise,
14 shall be governed by and construed in accordance with the laws of the State of
15 California without regard to conflict of laws principles.

16 **12.12.** Any claim or dispute among the Parties arising out of, relating
17 to, or in connection with the interpretation or implementation of the terms of the
18 Stipulation prior to submission to the Court shall be resolved by the mediator
19 Michelle Yoshida of Phillips ADR, acting as arbitrator, whose determinations shall
20 be binding and non-appealable.

21 **12.13.** The Court shall retain jurisdiction with respect to the
22 implementation and enforcement of the terms of this Stipulation, and all Parties
23 hereto submit to the jurisdiction of the Court for purposes of implementing and
24 enforcing the Settlement embodied in this Stipulation.

25 **12.14.** The Stipulation shall not be construed more strictly against one
26 Party than another merely by virtue of the fact that it, or any part of it, may have
27 been prepared by counsel for one of the Parties, it being recognized that it is the
28

1 result of arm's-length negotiations between the Parties, and all Parties have
2 contributed substantially and materially to the preparation of this Stipulation.

3 **12.15.** Plaintiffs, Lead Counsel, and the attorneys, staff, experts, and
4 consultants assisting them in this Action agree that (a) they will not intentionally
5 assist or cooperate with any person or entity in the pursuit of legal action related to
6 the Released Claims against the Released Parties, (b) they will not intentionally
7 assist or cooperate with any person or entity seeking to publicly disparage or
8 economically harm the Released Parties with respect to any matter relating to the
9 subject matter this Action, and (c) they will not discuss any confidential matters
10 related to this Action or the Settlement with anyone, and (d) they will not make any
11 accusations of wrongful or actionable conduct by any party concerning the
12 prosecution, defense, and resolution of the Action, and shall not otherwise suggest
13 that the settlement embodied in this Stipulation constitutes an admission of any
14 claim or defense alleged. The Parties reserve their right to rebut, in a manner that
15 such party determines to be appropriate, any contention made in any public forum
16 regarding the Action, including that the Action was brought or defended in bad faith
17 or without a reasonable basis.

18 **12.16.** All agreements by, between or among the Parties, their counsel
19 and their other advisors as to the confidentiality of information exchanged between
20 or among them shall remain in full force and effect, and shall survive the execution
21 and any termination of this Stipulation and the final consummation of the
22 Settlement, if finally consummated, without regard to any of the conditions of the
23 Settlement.

24 **12.17.** The Parties shall not assert or pursue any action, claim or rights
25 that any Party violated any provision of Rule 11 of the Federal Rules of Civil
26 Procedure and/or the Private Securities Litigation Reform Act of 1995 in
27 connection with the Action, the Settlement, or the Stipulation. The Parties agree
28

1 that the Action was resolved in good faith following arm's-length bargaining, in
2 full compliance with applicable requirements of good faith litigation under the
3 Exchange Act, Rule 11 of the Federal Rules of Civil Procedure, and/or the Private
4 Securities Litigation Reform Act of 1995.

5 **12.18.** Any failure by any of the Parties to insist upon the strict
6 performance by any other Party of any of the provisions of the Stipulation shall not
7 be deemed a waiver of any of the provisions hereof, and such Party, notwithstanding
8 such failure, shall have the right thereafter to insist upon the strict performance of
9 any and all of the provisions of this Stipulation to be performed by the other Parties
10 to this Stipulation.

11 **12.19.** The waiver, express or implied, by any Party of any breach or
12 default by any other Party in the performance of such Party of its obligations under
13 the Stipulation shall not be deemed or construed to be a waiver of any other breach,
14 whether prior, subsequent, or contemporaneous, under this Stipulation.

15 **12.20.** The Parties reserve the right, subject to the Court's approval, to
16 make any reasonable extensions of time that might be necessary to carry out any of
17 the provisions of this Stipulation.

18 **12.21.** Whether or not this Stipulation is approved by the Court and
19 whether or not the settlement embodied in this Stipulation is consummated, the
20 Parties and their counsel shall use their best efforts to keep all negotiations,
21 discussions, acts performed, agreements, drafts, documents signed and proceedings
22 had in connection with this Stipulation confidential. Notwithstanding the foregoing,
23 the Parties agree that this Stipulation may be filed publicly as part of any motion
24 for preliminary or final approval of the settlement.

25 **IN WITNESS WHEREOF**, the Parties have executed this Stipulation by
26 their undersigned counsel effective as of the date set forth below.

1 Dated: September 23, 2022

THE ROSEN LAW FIRM, P.A.

2 
3 Laurence M. Rosen (SBN 219683)
4 355 South Grand Avenue, Suite 2450
5 Los Angeles, CA 90071
6 Telephone: (213) 785-2610
7 Facsimile: (213) 226-4684
8 Email: lrosen@rosenlegal.com

9 Phillip Kim*
10 275 Madison Avenue, 40th Floor
11 New York, NY 10016
12 Telephone: (212) 686-1060
13 Facsimile: (212) 202-3827
14 Email: pkim@rosenlegal.com

15 Joshua Baker (*pro hac vice*)
16 101 Greenwood Avenue, Suite 440
17 Jenkintown, PA 19046
18 Telephone: (215) 600-2817
19 Facsimile: (212) 202-3827
20 Email: jbaker@rosenlegal.com

21 **pro hac vice application forthcoming*

22 *Lead Counsel for Plaintiffs*

POMERANTZ LLP

23 Jeremy Lieberman (*pro hac vice*)
24 Brenda Szydlo (*pro hac vice*)
25 600 Third Avenue, 20th Floor
26 New York, NY 10016
27 Telephone: (646) 581-9996
28 Email: jlieberman@pomlaw.com
Email: bszydlo@pomlaw.com

**BRONSTEIN, GERWITZ &
GROSSMAN, LLC**

Peretz Bronstein
60 East 42nd Street, Suite 4600
New York, NY 10165
Telephone: (212) 697-6484
Facsimile: (212) 697-7296
Email: peretz@bgandg.com

Additional Counsel for Plaintiffs

Dated: September 23, 2022

**SHEPPARD, MULLIN, RICHTER
& HAMPTON LLP**



John P. Stigi III
1901 Avenue for the Stars, Suite 1600
Los Angeles, California 90067
Telephone: 310.228.3700
Facsimile: 310.228.3701
Email: jstigi@sheppardmullin.com

*Counsel for Defendants Fat Brands,
Inc., Andrew Wiederhorn, Ron Roe, Ken
Kuick, Squire Junger, Silvia Kessel,
James Neuhauser and Edward H. Rensi*

Dated: September 23, 2022

**MINTZ, LEVIN, COHN, FERRIS,
GLOVSKY AND POPEO, P.C**

Sean T. Prosser
3580 Carmel Mountain Road, Suite 300
San Diego, California 92130
Telephone: 858.314.1500
Facsimile: 858.314.1501
Email: stprosser@mintz.com

*Counsel for Defendant Rebecca
Hershinger*

1 Peretz Bronstein
2 60 East 42nd Street, Suite 4600
3 New York, NY 10165
4 Telephone: (212) 697-6484
5 Facsimile: (212) 697-7296
6 Email: peretz@bgandg.com

Additional Counsel for Plaintiffs

7 Dated: September 23, 2022


**SHEPPARD, MULLIN, RICHTER
& HAMPTON LLP**

8
9
10 John P. Stigi III
11 1901 Avenue for the Stars, Suite 1600
12 Los Angeles, California 90067
13 Telephone: 310.228.3700
14 Facsimile: 310.228.3701
15 Email: jstigi@sheppardmullin.com

*Counsel for Defendants Fat Brands,
16 Inc., Andrew Wiederhorn, Ron Roe, Ken
17 Kuick, Squire Junger, Silvia Kessel,
James Neuhauser and Edward H. Rensi*

18 Dated: September 23, 2022

**MINTZ, LEVIN, COHN, FERRIS,
19 GLOVSKY AND POPEO, P.C**

20 
21 Sean T. Prosser
22 3580 Carmel Mountain Road, Suite 300
23 San Diego, California 92130
24 Telephone: 858.314.1500
25 Facsimile: 858.314.1501
26 Email: stprosser@mintz.com

*Counsel for Defendant Rebecca
27 Hershinger*
28

EXHIBIT A

1
2
3
4
5
6
7
8 UNITED STATES DISTRICT COURT
9 CENTRAL DISTRICT OF CALIFORNIA
10

11 IN RE:

12 FAT BRANDS INC. SECURITIES
13 LITIGATION

Case No. 2:22-cv-01820-MCS-RAO

Hon. Mark C. Scarsi

CLASS ACTION

14
15
16
17
18
19 **[PROPOSED] ORDER GRANTING PLAINTIFFS' MOTION FOR**
20 **PRELIMINARY APPROVAL OF CLASS ACTION SETTLEMENT**
21
22
23
24
25
26
27
28

1 WHEREAS, Lead Plaintiff Robert J. Matthews and named plaintiff Michael
 2 Melendez (“Plaintiffs”), individually and on behalf of the Settlement Class, and
 3 Defendants FAT Brands, Inc. (“FAT Brands” or the “Company”), Andrew
 4 Wiederhorn, Ron Roe, Ken Kuick, Squire Junger, Silvia Kessel, James Neuhauser,
 5 Edward H. Rensi, and Rebecca Hershinger (“Defendants,” and together with
 6 Plaintiffs, the “Parties”), have entered into the Stipulation of Settlement, dated
 7 September 23, 2022 (“Stipulation”), which is subject to review under Rule 23 of
 8 the Federal Rules of Civil Procedure and which, together with the exhibits annexed
 9 thereto, sets forth the terms and conditions for the proposed settlement of the class
 10 action pending before the Court entitled *In re FAT Brands Inc. Securities Litigation*,
 11 Case No. 2:22-cv-01820 (C.D. Cal.) (“Action”); and the Court having read and
 12 considered the Stipulation and the exhibits thereto and submissions made relating
 13 thereto, and finding that substantial and sufficient grounds exist for entering this
 14 Order; and the Parties having consented to the entry of this Order;

15 NOW, THEREFORE, IT IS HEREBY ORDERED, this ____ day of
 16 _____, 2022, that:

17 1. Capitalized terms used herein have the meanings set forth in the
 18 Stipulation.

19 2. Pursuant to Rule 23(a) and (b)(3) of the Federal Rules of Civil
 20 Procedure and for the purposes of the Settlement only, the Action is hereby
 21 preliminarily certified as a class action on behalf of all persons and entities who
 22 purchased publicly traded FAT Brands securities between December 4, 2017 and
 23 February 18, 2022, both dates inclusive, and who were damaged thereby. Excluded
 24 from the Settlement Class are: (a) persons who suffered no compensable losses; (b)
 25 Defendants; the present and former officers, directors, and affiliates of FAT Brands
 26 at all relevant times; FAT Brands’ employee retirement or benefit plan(s) and their
 27 participants or beneficiaries to the extent they purchased or acquired FAT Brands
 28

1 securities through any such plan(s); immediate family members, legal
2 representatives, heirs, successors or assigns of any excluded person or entity; and
3 any entity affiliated with any excluded person or in which any excluded person or
4 entity has a controlling interest; and (c); persons or entities who file valid and timely
5 requests for exclusion from the Settlement Class in accordance with this Order.

6 3. This Court finds, preliminarily and for purposes of this Settlement
7 only, that the prerequisites for a class action under Rules 23(a) and (b)(3) of the
8 Federal Rules of Civil Procedure have been satisfied in that: (a) the number of
9 Settlement Class Members is so numerous that joinder of all members of the
10 Settlement Class is impracticable; (b) there are questions of law and fact common
11 to the Settlement Class; (c) the claims of Plaintiffs are typical of the claims of the
12 Settlement Class they seek to represent; (d) Plaintiffs fairly and adequately
13 represent the interests of the Settlement Class; (e) questions of law and fact common
14 to the Settlement Class predominate over any questions affecting only individual
15 members of the Settlement Class; and (f) a class action is superior to other available
16 methods for the fair and efficient adjudication of the Action.

17 4. Pursuant to Rule 23 of the Federal Rules of Civil Procedure,
18 preliminarily and for the purposes of this Settlement only, Plaintiffs are certified as
19 the class representatives on behalf of the Settlement Class (“Class Representatives”)
20 and Lead Counsel, previously selected by Lead Plaintiff and approved by this Court,
21 is hereby appointed as Class Counsel for the Settlement Class (“Class Counsel”).

22 5. The Court finds that (a) the Stipulation resulted from good faith, arm’s-
23 length negotiations, and (b) the Stipulation is sufficiently fair, reasonable, and
24 adequate to the Settlement Class Members to warrant providing notice of the
25 Settlement to Settlement Class Members and holding a Settlement Hearing.

26 6. The Court hereby preliminarily approves the Settlement, subject to
27 further consideration at a hearing (“Settlement Hearing”) pursuant to Federal Rule
28

1 of Civil Procedure 23(e), which is hereby scheduled to be held before the Court on
2 _____ 2023 at __:___ .m., and may be conducted via telephonic or
3 videoconference means at the Court's direction, for the following purposes:

4 (a) to determine finally whether the applicable prerequisites for
5 class action treatment under Federal Rules of Civil Procedure 23(a) and (b) are
6 satisfied;

7 (b) to determine finally whether the Settlement is fair, reasonable,
8 and adequate, and should be approved by the Court;

9 (c) to determine finally whether the Final Judgment, substantially
10 in the form of Exhibit B to the Stipulation, should be entered, dismissing the Action
11 on the merits and with prejudice, and to determine whether the release by the
12 Releasing Parties of the Released Claims against the Released Parties, as set forth
13 in the Stipulation, should be ordered, along with a permanent injunction barring
14 efforts to prosecute or attempt to prosecute any Released Claims extinguished by
15 the release against any of the Released Parties, as also set forth in the Stipulation;

16 (d) to determine finally whether the proposed Plan of Allocation for
17 the distribution of the Net Settlement Fund is fair and reasonable and should be
18 approved by the Court;

19 (e) to consider the application of Class Counsel for an award of
20 attorneys' fees and expenses and award to Class Representatives;

21 (f) to consider Settlement Class Members' objections to the
22 Settlement, if any, whether submitted previously in writing or presented orally at
23 the Settlement Hearing by Settlement Class Members (or by counsel on their
24 behalf); and

25 (g) to rule upon such other matters as the Court may deem
26 appropriate.

1 7. The Court reserves the right to adjourn the Settlement Hearing to a
2 later date and to approve the Settlement with or without modification and with or
3 without further notice other than entry of an Order on the Court's docket. The Court
4 may decide to hold the Settlement Hearing telephonically or by other virtual means
5 without further notice. The Court further reserves the right to enter its Final
6 Judgment approving the Settlement and dismissing the Action, on the merits and
7 with prejudice, regardless of whether it has approved the Plan of Allocation or
8 awarded attorneys' fees and expenses.

9 8. The Court reserves the right to approve the Settlement with such
10 modifications as may be agreed upon or consented to by the Parties and without
11 further notice to the Settlement Class where to do so would not impair Settlement
12 Class Members' rights in a manner inconsistent with Rule 23, other applicable rules
13 or regulations, or due process of law.

14 9. The Court approves the form, substance, and requirements of (a) the
15 Long Notice, (b) the Proof of Claim, (c) the Summary Notice, and (d) the Postcard
16 Notice, all of which are exhibits to the Stipulation.

17 10. Class Counsel, on behalf of Plaintiffs, has the authority to enter into
18 the Settlement on behalf of the Settlement Class and has the authority to act on
19 behalf of the Settlement Class with respect to all acts or consents required by or that
20 may be given pursuant to the Stipulation or such other acts that are reasonably
21 necessary to consummate the Settlement.

22 11. Strategic Claims Services is appointed and approved as the Claims
23 Administrator to supervise and administer the notice procedure as well as the
24 processing of claims.

25 12. The Escrow Agent may, at any time after entry of this Order and
26 without further approval from Defendants or the Court, disburse at the direction of
27 Class Counsel up to \$150,000 from the Settlement Fund prior to the Effective Date
28

1 to pay reasonable Administrative Costs. After the Effective Date, up to an additional
2 \$100,000 may be transferred from the Settlement Fund to pay for any reasonable
3 and necessary Administrative Costs without further order of the Court.

4 13. No later than 15 Business Days after the date of this Order, FAT
5 Brands shall provide and/or cause its transfer agent to provide to Class Counsel
6 FAT Brands' transfer records information reasonably available to FAT Brands
7 concerning the identity of Settlement Class Members, including any names and
8 addresses of Settlement Class Members and nominees or custodians that exist in
9 such transfer records ("Settlement Class Information") in a usable electronic
10 format, such as an Excel spreadsheet, or other form as is reasonably available to
11 FAT Brands. This information will be kept confidential and not used for any
12 purpose other than to provide the notice contemplated by this Order.

13 14. Within 20 Business Days of the entry of this Order, Class Counsel,
14 through the Claims Administrator, shall either: (a) email links to the location of the
15 Long Notice and Proof of Claim, substantially in the form annexed to the
16 Stipulation as Exhibit A-1 and Exhibit A-2, to Settlement Class Members for whom
17 the Claims Administrator is able to obtain email addresses; or (b) if no electronic
18 mail address can be obtained, cause the Postcard Notice, substantially in the form
19 annexed to the Stipulation as Exhibit A-4, to be mailed by first class mail, postage
20 prepaid, to Settlement Class Members who can be identified with reasonable effort
21 by Class Counsel, through the Claims Administrator.

22 15. Class Counsel, through the Claims Administrator, shall make all
23 reasonable efforts to give notice to nominees or custodians who held FAT Brands
24 securities during the Settlement Class Period as record owners but not as beneficial
25 owners. Such nominees or custodians shall, within 10 days of receipt of the notice,
26 either: (i) request copies of the Postcard Notice sufficient to send the Postcard
27 Notice to all beneficial owners for whom they are nominee or custodian, and within
28

1 10 days after receipt thereof send copies to such beneficial owners; (ii) request links
2 to the location of the Long Notice and Proof of Claim and email the links to each
3 beneficial owner for whom they are nominee or custodian within ten days after
4 receipt thereof; or (iii) provide the Claims Administrator with lists of the names,
5 last known addresses and email addresses (to the extent known) of such beneficial
6 owners, in which event the Claims Administrator shall promptly deliver the
7 Postcard Notice to such beneficial owners. If the Claims Administrator receives an
8 email address, it will send a link to the location of the Long Notice and Proof of
9 Claim electronically. Nominees or custodians who elect to email links to the Long
10 Notice and Proof of Claim or send the Postcard Notice to their beneficial owners
11 shall send a written certification to the Claims Administrator confirming that the
12 mailing or emailing has been made as directed. Copies of the Postcard Notice shall
13 be made available to any nominee or custodian requesting same for the purpose of
14 distribution to beneficial owners. The Claims Administrator shall, if requested,
15 reimburse nominees or custodians out of the Settlement Fund solely for their
16 reasonable out-of-pocket expenses incurred in providing notice to beneficial
17 owners, which expenses would not have been incurred except for the providing
18 names and addresses, of up to \$0.03 per name, address, and email address provided
19 to the Claims Administrator; up to \$0.03 per unit for each Postcard Notice actually
20 mailed, plus postage at the pre-sort rate used by the Claims Administrator; or up to
21 \$0.03 per email notice sent, and subject to further order of this Court with respect
22 to any dispute concerning such reimbursement.

23 16. Class Counsel shall, at least seven days before the Final Approval
24 Hearing, serve upon counsel for Defendants and file with the Court proof of the
25 mailing of the Postcard Notice as required by this Order.

26 17. Within 16 days of the entry of this Order, Class Counsel, through the
27 Claims Administrator, shall cause the Stipulation and its exhibits, this Order, and a
28

1 copy of the Long Notice and Proof of Claim to be posted on the Claims
2 Administrator's website.

3 18. Class Counsel, through the Claims Administrator, shall cause the
4 Summary Notice to be published electronically once on the *GlobeNewswire* and in
5 print once in the *Investor's Business Daily* within 10 days after the Postcard Notice
6 mailing or emailing links to the location of the Long Notice and Proof of Claim.
7 Class Counsel shall, at least seven days before the Settlement Hearing, serve upon
8 counsel for Defendants and file with the Court proof of publication of the Summary
9 Notice.

10 19. The forms and methods set forth herein of notifying the Settlement
11 Class Members of the Settlement and its terms and conditions meet the
12 requirements of due process, Rule 23 of the Federal Rules of Civil Procedure, and
13 Section 21D(a)(7) of the Securities Exchange Act of 1934, 15 U.S.C. 78u-4(a)(7),
14 as amended by the Private Securities Litigation Reform Act of 1995; constitute the
15 best notice practicable under the circumstances; and constitute due and sufficient
16 notice to all persons and entities entitled thereto. No Settlement Class Member will
17 be relieved from the terms and conditions of the Settlement, including the releases
18 provided for therein, based upon the contention or proof that such Settlement Class
19 Member failed to receive actual or adequate notice.

20 20. In order to be entitled to participate in recovery from the Net
21 Settlement Fund after the Effective Date, each Settlement Class Member shall take
22 the following action and be subject to the following conditions:

23 (a) A properly completed and executed Proof of Claim must be
24 submitted to the Claims Administrator: (a) electronically through the Claims
25 Administrator's website, www.strategicclaims.net/FAT, by 11:59 p.m. EST
26 on _____, 2023; or (b) at the Post Office Box indicated in the Notice,
27 postmarked no later than _____, 2023 (30 days prior to the Final
28

1 Approval Hearing). Such deadline may be further extended by Order of the
2 Court. Each Proof of Claim shall be deemed to have been submitted when:
3 (a) the claim receives a confirmation notice from the Claims Administrator
4 for electronic submissions; or (b) legibly postmarked (if properly addressed
5 and mailed by first class mail) provided such Proof of Claim is actually
6 received before the filing of a motion for an Order of the Court approving
7 distribution of the Net Settlement Fund. Any Proof of Claim submitted in any
8 other manner shall be deemed to have been submitted when it was actually
9 received by the Claims Administrator at the address designated in the Notice.

10 (b) The Proof of Claim submitted by each Settlement Class Member
11 must satisfy the following conditions: (i) it must be properly completed,
12 signed and submitted in a timely manner in accordance with the provisions
13 of the preceding subparagraph; (ii) it must be accompanied by adequate
14 supporting documentation for the transactions reported therein, in the form
15 of broker confirmation slips, broker account statements, an authorized
16 statement from the broker containing the transactional information found in
17 a broker confirmation slip, or such other documentation as is deemed
18 adequate by the Claims Administrator or Class Counsel; (iii) if the person
19 executing the Proof of Claim is acting in a representative capacity, a
20 certification of their current authority to act on behalf of the Settlement Class
21 Member must be provided with the Proof of Claim; and (iv) the Proof of
22 Claim must be complete and contain no material deletions or modifications
23 of any of the printed matter contained therein and must be signed under
24 penalty of perjury.

25 (c) Once the Claims Administrator has considered a timely
26 submitted Proof of Claim, it shall determine whether such claim is valid,
27 deficient, or rejected. For each claim determined to be either deficient or
28

1 rejected, the Claims Administrator shall send a deficiency letter or rejection
2 letter as appropriate, describing the basis on which the claim was so
3 determined. Persons who timely submit a Proof of Claim that is deficient or
4 otherwise rejected shall be afforded a reasonable time (at least 10 days) to
5 cure such deficiency, if it shall appear that such deficiency may be cured. If
6 any Claimant whose claim has been rejected in whole or in part wishes to
7 contest such rejection, the Claimant must, within 10 days after the date of
8 mailing of the notice, serve upon the Claims Administrator a notice and
9 statement of reasons indicating the Claimant's ground for contesting the
10 rejection along with any supporting documentation, and requesting a review
11 thereof by the Court. If an issue concerning a claim cannot be otherwise
12 resolved, Class Counsel shall thereafter present the request for review to the
13 Court.

14 (d) As part of the Proof of Claim, each Settlement Class Member
15 shall submit to the jurisdiction of the Court with respect to the claim
16 submitted, and shall, upon the Effective Date, release all claims as provided
17 in the Stipulation. No discovery shall be allowed on the merits of the Action
18 or the Settlement in connection with processing of the Proof of Claim, nor
19 shall any discovery from or of Defendants be allowed on any topic.

20 21. All Settlement Class Members who do not submit valid and timely
21 Proofs of Claim will be forever barred from receiving any payments from the Net
22 Settlement Fund but will in all other respects be subject to and bound by the
23 provisions of the Stipulation and the Judgment, if entered.

24 22. Settlement Class Members shall be bound by all determinations and
25 judgments in the Action whether favorable or unfavorable, unless such Persons
26 request exclusion from the Settlement Class in a timely and proper manner, as
27 hereinafter provided. A Settlement Class Member wishing to make such request for
28

1 exclusion from the Settlement shall mail it, in written form, by first class mail,
2 postage prepaid, or otherwise deliver it, so that it is received no later than
3 _____, 2023 (21 days prior to the Final Approval Hearing) (“Exclusion
4 Deadline”), to the address listed in the Long Notice. In order to be valid, such
5 request for exclusion must (A) indicate the name, address, phone number and e-
6 mail contact information (if any) of the Person seeking exclusion, and state that the
7 sender specifically “requests to be excluded from the Settlement of *In re FAT*
8 *Brands Inc. Securities Litigation*, Case No. 2:22-cv-01820 (C.D. Cal.)” and (B)
9 state the date, number of shares, and dollar amount of each purchase of FAT Brands
10 securities and, if applicable, each sale during the Settlement Class Period, as well
11 as the number of FAT Brands securities held by the Person as of the opening and
12 closing of the Settlement Class Period. In order to be valid, such request for
13 exclusion must be submitted with documentary proof: (i) of each purchase and, if
14 applicable, sale transaction of FAT Brands securities during the Settlement Class
15 Period; and (ii) demonstrating the Person’s status as a beneficial owner of the FAT
16 Brands securities. Any such request for exclusion must be signed and submitted by
17 the beneficial owner under penalty of perjury. The request for exclusion shall not
18 be effective unless it provides the required information, is legible, and is made
19 within the time stated above, or the exclusion is otherwise accepted by the Court.
20 Class Counsel may contact any Person filing a request for exclusion, or their
21 attorney if one is designated, to discuss the request for exclusion.

22 23. The Claims Administrator shall provide all requests for exclusion and
23 supporting documentation submitted therewith (including untimely requests and
24 revocations of requests) to counsel for the Parties as soon as possible and no later
25 than the Exclusion Deadline or upon the receipt thereof (if later than the Exclusion
26 Deadline). The Settlement Class will not include any Person who delivers a valid
27 and timely request for exclusion that has not been thereafter revoked.
28

1 24. Any Person that submits a request for exclusion may thereafter submit
2 to the Claims Administrator a written revocation of that request for exclusion,
3 provided that it is received no later than two Business Days before the Final
4 Approval Hearing, in which event that Person will be included in the Settlement
5 Class.

6 25. All Persons who submit a valid, timely and unrevoked request for
7 exclusion will be forever barred from receiving any payments from the Net
8 Settlement Fund.

9 26. The Court will consider comments and/or objections to the Settlement,
10 the Plan of Allocation, or the Fee and Expense Application, provided, however, that
11 no Settlement Class Member or other Person shall be heard or entitled to contest
12 the approval of the terms and conditions of the proposed Settlement, the Plan of
13 Allocation, or the Fee and Expense Application, or any other order relating thereto,
14 unless, at least 21 days prior to the Settlement Hearing Date, that Person has: (a)
15 filed said objections, papers, and briefs, and proof of service upon counsel identified
16 below with the Clerk of the Court, U.S. District Court, Central District of California,
17 Ronald Reagan Federal Building and United States Courthouse, 411 West 4th
18 Street, Room 1053, Santa Ana, California 92701; and (b) served copies of any
19 objections, papers and briefs on each of the following counsel:

20 CLASS COUNSEL:
21 THE ROSEN LAW FIRM, P.A.
22 Phillip Kim
23 275 Madison Avenue, 40th Floor
24 New York, NY 10016

COUNSEL FOR DEFENDANTS:
 SHEPPARD, MULLIN, RICHTER &
 HAMPTON LLP
 John P. Stigi III
 1901 Avenue for the Stars, Suite 1600
 Los Angeles, CA 90067

25
26 27. To be valid, any such objection must contain the Settlement Class
27 Member's: (1) name, address, and telephone number; (2) a list of all purchases and
28 sales of FAT Brands securities during the Settlement Class Period in order to show

1 membership in the Settlement Class; (3) all grounds for the objection, including any
2 legal support known to the Settlement Class Member and/or their counsel; (4) the
3 name, address and telephone number of all counsel who represent the Settlement
4 Class Member, including former or current counsel who may be entitled to
5 compensation in connection with the objection; and (5) the number of times the
6 Settlement Class Member and/or their counsel has filed an objection to a class
7 action settlement in the last five years, the nature of each such objection in each
8 case, the jurisdiction in each case, and the name of the issuer of the security or seller
9 of the product or service at issue in each case. Attendance at the Final Approval
10 Hearing is not necessary, but Persons wishing to be heard orally in opposition to
11 the approval of the Stipulation, the Plan of Allocation, and/or the Fee and Expense
12 Application are required to indicate in their written objection (or in a separate
13 writing that is submitted in accordance with the deadline and instructions pertinent
14 to the submission of a written objection) that they intend to appear at the Final
15 Approval Hearing and identify any witnesses they may call to testify or exhibits
16 they intend to introduce into evidence at the Final Approval Hearing. Settlement
17 Class Members do not need to appear at the Final Approval Hearing or take any
18 other action to indicate their approval.

19 28. Any Settlement Class Member who does not object in the manner
20 prescribed above shall be deemed to have waived all such objections and shall
21 forever be foreclosed from making any objection to the fairness, adequacy, or
22 reasonableness of the Settlement, the Judgment to be entered approving the
23 Settlement, the Plan of Allocation, and/or the Fee and Expense Application, unless
24 otherwise ordered by the Court; shall be bound by all the terms and provisions of
25 the Stipulation and by all proceedings, orders and judgments in the Action; and shall
26 also be foreclosed from appealing from any judgment or order entered in this
27 Action.
28

1 29. All papers in support of the Settlement, the Plan of Allocation, and/or
2 the Fee and Expense Application shall be filed and served no later than 28 days
3 before the Final Approval Hearing.

4 30. Any submissions filed in response to any objections or in further
5 support of the Settlement, the Plan of Allocation, and/or the Fee and Expense
6 Application shall be filed no later than 14 days prior to the Final Approval Hearing.

7 31. Defendants, their counsel, and other Released Parties shall have no
8 responsibility for, or liability with respect to, the Plan of Allocation or any
9 application for attorneys' fees and interest, or expenses or payments to the Class
10 Representatives submitted by Class Counsel, and such matters will be considered
11 separately from the fairness, reasonableness, and adequacy of the Settlement.

12 32. Pending final determination of whether the Settlement should be
13 approved, all Releasing Parties shall be enjoined from commencing, prosecuting,
14 or attempting to prosecute any Released Claims against any Released Party in any
15 court or tribunal or proceeding. Unless and until the Stipulation is cancelled and
16 terminated pursuant to the Stipulation, all proceedings in the Action, other than such
17 proceedings as may be necessary to carry out the terms and conditions of the
18 Stipulation, are hereby stayed and suspended until further order of the Court.

19 33. All funds or Settlement Shares held by the Escrow Agent shall be
20 deemed and considered to be in the custody of the Court, and shall remain subject
21 to the jurisdiction of the Court, until such time as such funds shall be distributed or
22 returned pursuant to the Stipulation and Plan of Allocation and/or further order(s)
23 of the Court.

24 34. Neither the Stipulation, nor any of its terms or provisions, nor any of
25 the negotiations or proceedings connected with it, shall be construed as an
26 admission or concession by Defendants, their counsel, or any of the other Released
27 Parties of the truth of any of the allegations in the Action, or of any liability, fault,
28

1 or wrongdoing of any kind and shall not be construed as, or deemed to be evidence
2 of, or an admission or concession that Class Representatives or any Settlement Class
3 Members directly have suffered any damages, harm, or loss. Further, neither the
4 Stipulation, nor any of its terms or provisions, nor any of the negotiations or
5 proceedings connected with it, nor this Order shall be construed as an admission or
6 concession by Class Representatives of the validity of any factual or legal defense
7 or of the infirmity of any of the claims or facts alleged in the Action.

8 35. In the event the Settlement is not consummated in accordance with the
9 terms of the Stipulation, then the Stipulation and this Order (including any
10 amendment(s) thereof, and except as expressly provided in the Stipulation or by
11 order of the Court) shall be null and void, of no further force or effect, and without
12 prejudice to any Party, and may not be introduced as evidence or used in any action
13 or proceeding by any Person against the Parties or the Released Parties, and each
14 Party shall be restored to his, her, or its respective litigation positions as they existed
15 prior to August 10, 2022, pursuant to the terms of the Stipulation.

16 36. The Court retains exclusive jurisdiction over the Action to consider all
17 further matters arising out of, or relating to, the Stipulation, including by way of
18 illustration and not limitation, any dispute concerning any Proof of Claim submitted
19 and any future requests by one or more of the Parties that the Judgment, the releases
20 and/or the permanent injunction set forth in the Stipulation be enforced.

21
22
23 Dated: _____, 2022

HON. MARK C. SCARSI
UNITED STATES DISTRICT JUDGE

1
2
3
4
5
6
7
8 UNITED STATES DISTRICT COURT
9 CENTRAL DISTRICT OF CALIFORNIA
10

11 IN RE:

12 FAT BRANDS INC. SECURITIES
13 LITIGATION
14
15
16
17
18

Case No. 2:22-cv-01820-MCS-RAO

Hon. Mark C. Scarsi

NOTICE OF PENDENCY AND PROPOSED SETTLEMENT OF CLASS ACTION

If you purchased FAT Brands, Inc. (“FAT Brands” or the “Company”) publicly-traded securities during the period from December 4, 2017 through February 18, 2022, both dates inclusive (“Settlement Class Period”), you could get a payment from a proposed class action settlement (“Settlement”).

Under law, a federal court has authorized this Notice. This is not attorney advertising.

- If approved by the Court, the Settlement will provide \$3,000,000 (“Settlement Amount”), plus interest as it accrues, minus attorneys’ fees, costs, administrative expenses, and net of any taxes on interest, to pay claims of investors who purchased FAT Brands securities during the Settlement Class Period.
- The approximate recovery, after deduction of attorneys’ fees and expenses approved by the Court, is an average of \$0.52 per damaged share of FAT Brands securities. This estimate is based on the assumptions set forth in the following two paragraphs. Your actual recovery, if any, will depend on the aggregate losses of all Settlement Class Members, the date(s) you purchased and sold FAT Brands securities, the purchase and sale prices, and the total number and amount of claims filed.
- Attorneys for Plaintiffs (“Lead Counsel”) intend to ask the Court to award them fees of up to one third of the Settlement Amount, or \$1,000,000, reimbursement of litigation expenses of no more than \$45,000, and an award to Plaintiffs not to exceed \$1,500 each, or \$3,000 total. Collectively, the attorneys’ fees and expenses and award to Plaintiffs are estimated to average \$0.27 per damaged share of FAT Brands securities. If approved by the Court, these amounts will be paid from the Settlement Fund.
- The Settlement represents an estimated average recovery of \$0.79 per damaged share of FAT Brands securities for the approximately 3.8 million damaged shares during the Settlement Class Period. Shares may have been traded more than once during the Settlement Class Period. This estimate solely reflects the average recovery per damaged share of FAT Brands securities. The indicated average recovery per share will be the total average recovery for all purchasers

of that share. This is not an estimate of the actual recovery per share you should expect. Your actual recovery will depend on the aggregate losses of all Settlement Class Members, the date(s) you purchased and sold FAT Brands securities, and the total number of claims filed.

- The Settlement resolves the Action concerning whether FAT Brands and individual defendants Andrew Wiederhorn, Ron Roe, Ken Kuick, Squire Junger, Silvia Kessel, James Neuhauser, Edward H. Rensi, and Rebecca Hershinger (“Defendants”) violated the federal securities laws by making misrepresentations and/or omissions of material fact in various filings with the U.S. Securities and Exchange Commission or in other public statements to investors. Defendants deny each and every claim and contention alleged in the Action and deny any misconduct or wrongdoing whatsoever, including by any of FAT Brands’ officers, directors, or employees.
- Your legal rights will be affected whether you act or do not act. If you do not act, you may permanently forfeit your right to recover on this claim. Therefore, you should read this Notice carefully.

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT

SUBMIT A CLAIM FORM NO LATER THAN _____, 2023	The only way to get a payment.
EXCLUDE YOURSELF NO LATER THAN _____, 2023	Get no payment. This is the only option that allows you to ever be part of any other lawsuit against Defendants about the legal claims in this case.
OBJECT NO LATER THAN _____, 2023	Write to the Court and explain why you object to the Settlement.
GO TO A HEARING ON _____, 2023	Ask to speak in Court about the fairness of the Settlement.
DO NOTHING	Get no payment. Give up rights.

INQUIRIES

Please do not contact the Court regarding this Notice. All inquiries concerning this Notice, the Proof of Claim and Release Form, or any other questions by Settlement Class Members should be directed to:

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

OR

Phillip Kim
THE ROSEN LAW FIRM, P.A.
275 Madison Avenue, 40th Floor
New York, NY 10016
Tel: 212-686-1060
Fax: 212-202-3827
Email: pkim@rosenlegal.com

DEFINITIONS

All capitalized terms not otherwise defined herein shall have the same meanings as set forth in the Stipulation of Settlement, dated September 23, 2022 (“Stipulation”).

COMMON QUESTIONS AND ANSWERS CONCERNING THE SETTLEMENT

1. Why did I get this Notice?

You or someone in your family may have purchased FAT Brands securities between December 4, 2017 and February 18, 2022, both dates inclusive.

2. What is this lawsuit about?

The case is known as *In re FAT Brands Inc. Securities Litigation*, Case No. 2:22-cv-01820-MCS-RAO (C.D. Cal.) (“Action”). The Action is pending in the United States District Court for the Central District of California.

The Action involves Plaintiffs’ allegations that Defendants violated the federal securities laws by making false or misleading statements in FAT Brands’ filings with the U.S. Securities and Exchange Commission or other public statements to investors concerning, among other things, the Company’s leadership team and its accounting for related party transactions. The Complaint asserts that the alleged misstatements or omissions artificially inflated the price of FAT Brands securities, and that the stock price dropped in response to certain subsequent disclosures. Defendants have denied and continue to deny the allegations in the Complaint and all charges of wrongdoing or liability against FAT Brands or any of its officers, directors, or employees. The Settlement shall in no event be construed as, or deemed to be evidence of, an admission or concession by any of the Defendants with respect to any claim or any fault or wrongdoing or damage to the Settlement Class Members or any other person. The Settlement resolves all of the claims in the Action, as well as certain other claims or potential claims.

3. Why is this a class action?

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

1
2 **4. Why is there a Settlement?**

3 Plaintiffs and Defendants do not agree regarding the merits of Plaintiffs'
4 allegations and Defendants' defenses with respect to liability or the amount of
5 damages per share, if any, that would be recoverable if Plaintiffs were to prevail
6 at trial on each claim. The issues on which Plaintiffs and Defendants disagree
7 include: (1) whether Defendants made any statements or omissions that were
8 materially false or misleading or otherwise actionable under federal securities
9 law; (2) whether certain Defendants acted with scienter; (3) to the extent any
10 statements or omissions were materially false or misleading, whether any
11 subsequent disclosures corrected any prior false or misleading statements or
12 omissions by Defendants; (4) the causes of the loss in the value of the stock; and
13 (5) the amount of damages, if any, that could be recovered at trial.

14 This matter has not gone to trial. Instead, Plaintiffs and Defendants have agreed
15 to settle the case. Plaintiffs and Lead Counsel believe the Settlement is best for
16 all Settlement Class Members because of the risks associated with continued
17 litigation and the nature of the defenses Defendants would raise. Among the
18 reasons that Plaintiffs and Lead Counsel believe the Settlement is fair is the fact
19 that there is uncertainty about whether they will prevail on Defendants'
20 anticipated motions to dismiss, whether they would be able to prevail on a
21 motion for class certification, whether they would be able to prove their claims
22 at trial, and whether they will be able to prove that the alleged misstatements and
23 omissions actually caused the Settlement Class any damages, and the amount of
24 damages, if any.

25 Even if Plaintiffs were to win at trial, and also prevail on any on appeal brought
26 by Defendants, Plaintiffs might not be able to collect some, or all, of any
27 judgment the class would be awarded. Moreover, litigation of this type is usually
28 expensive, and it appears that, even if Plaintiffs' allegations were eventually
found to be true, the total amount of damages to which Settlement Class
Members would be entitled could be substantially reduced.

29 **5. How do I know if I am part of the Settlement?**

30 The Settlement Class consists of those Persons who purchased FAT Brands
31 securities from December 4, 2017 through February 18, 2022, both dates
32 inclusive.

6. Are there exceptions to being included?

Yes. Excluded from the Settlement Class are: (a) persons who suffered no compensable losses; and (b) Defendants; the present and former officers, directors, and affiliates of FAT Brands at all relevant times; FAT Brands' employee retirement or benefit plan(s) and their participants or beneficiaries to the extent they purchased or acquired FAT Brands securities through any such plan(s); immediate family members, legal representatives, heirs, successors or assigns of any excluded person or entity; and any entity affiliated with any excluded person or in which any excluded person or entity has a controlling interest. Also excluded from the Settlement Class are persons who file valid and timely requests for exclusion from the Settlement Class.

7. I am still not sure whether I am included.

If you are still not sure whether you are included, you can ask for free help. For more information, you can contact the Claims Administrator, Strategic Claims Services, by phone at (866) 274-4004 or by facsimile at (610) 565-7985, visit the website www.strategicclaims.net/FAT, or fill out and return the Proof of Claim and Release Form described in Question 9, to see if you qualify.

8. What does the Settlement provide?

a. What is the Settlement Fund?

The proposed Settlement provides that Defendants pay \$3,000,000 into a Settlement Fund. The Settlement is subject to Court approval. Also, subject to the Court's approval, a portion of the Settlement Fund will be used to pay attorneys' fees and reasonable litigation expenses to Lead Counsel and any Award to the Plaintiffs. A portion of the Settlement Fund also will be used to pay taxes due on interest earned by the Settlement Fund, if necessary, and the costs of the claims administration, including the costs of printing and mailing this Notice and the costs of publishing notice. After the foregoing deductions from the Settlement Fund have been made, the amount remaining ("Net Settlement Fund") will be distributed according to the Plan of Allocation to be approved by the Court to Settlement Class Members who submit timely, valid Proofs of Claim.

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

2 Your share of the Net Settlement Fund will or may depend on: (i) the number of
3 claims filed; (ii) the dates you purchased and sold FAT Brands securities; (iii)
4 the prices of your purchases and sales; (iv) the amount of administrative costs,
5 including the costs of notice; and (v) the amounts awarded by the Court to Lead
6 Counsel for attorneys' fees, costs, and expenses and any awards to Plaintiffs.

7 The Claims Administrator will determine each Settlement Class Member's *pro*
8 *rata* share of the Net Settlement Fund based upon each Settlement Class
9 Member's valid "Recognized Loss." The Recognized Loss formula is not
10 intended to be an estimate of the amount that a Settlement Class Member might
11 have been able to recover after a trial; it also is not an estimate of the amount
12 that will be paid to Authorized Claimants pursuant to the Settlement. The
13 Recognized Loss formula is the basis upon which the Net Settlement Fund will
14 be proportionately allocated to the Settlement Class Members with valid claims.

15 The Net Settlement Fund will be distributed to Settlement Class Members who
16 submit a Proof of Claim and whose claims for recovery are allowed by the
17 Claims Administrator pursuant to the terms of the Stipulation or by order of the
18 Court under the below Plan of Allocation ("Authorized Claimants"), which
19 reflects Plaintiffs' contention that because of the alleged misrepresentations
20 made by Defendants, the prices of FAT Brands securities were artificially
21 inflated during the relevant period and that certain subsequent disclosures
22 caused changes in the inflated price of FAT Brands securities. Defendants have
23 denied these allegations.

24 **PROPOSED PLAN OF ALLOCATION**

25 The Plan of Allocation is a matter separate and apart from the proposed
26 Settlement, and any decision by the Court concerning the Plan of Allocation shall
27 not affect the validity or finality of the proposed Settlement. The Court may
28 approve the Plan of Allocation with or without modifications agreed to among
29 the Parties, or another plan of allocation, without further notice to Class
30 Members. Any orders regarding a modification of the Plan of Allocation will be
31 posted to the Claims Administrator's website: www.strategicclaims.net/FAT.

32 To the extent there are sufficient funds in the Net Settlement Fund, each
33 Authorized Claimant will receive an amount equal to the Authorized Claimant's
34 Recognized Loss and subject to the provisions in the preceding paragraph. If,

1 however, the amount in the Net Settlement Fund is not sufficient to permit
 2 payment of the total Recognized Loss of each Authorized Claimant, then each
 3 Authorized Claimant shall be paid the percentage of the Net Settlement Fund
 4 that each Authorized Claimant's Recognized Loss bears to the total Recognized
 5 Losses of all Authorized Claimants and subject to the provisions in the preceding
 paragraph (*i.e.*, "*pro rata* share"). No distribution will be made on a claim where
 the potential distribution amount is less than ten dollars (\$10.00) in cash.

6 If any funds remain in the Net Settlement Fund by reason of uncashed checks,
 7 or otherwise, after the Claims Administrator has made reasonable and diligent
 8 efforts to have Authorized Claimants who are entitled to participate in the
 9 distribution of the Net Settlement Fund cash their distribution checks, then any
 10 balance remaining in the Net Settlement Fund six months after the initial
 11 distribution of such funds shall be used: (i) first, to pay any amounts mistakenly
 12 omitted from the initial distribution to Authorized Claimants; (ii) second, to pay
 13 any additional Notice and Administration Costs incurred in administering the
 14 Settlement; and (iii) finally, to make a second distribution to Authorized
 15 Claimants who cashed their checks from the initial distribution and who would
 16 receive at least \$10.00 from such second distribution, after payment of the
 17 estimated costs or fees to be incurred in administering the Net Settlement Fund
 18 and in making this second distribution, if such second distribution is
 19 economically feasible. Six months after such second distribution, if undertaken,
 20 or if such second distribution is not undertaken, any funds shall remain in the
 Net Settlement Fund after the Claims Administrator has made reasonable and
 diligent efforts to have Authorized Claimants who are entitled to participate in
 this Settlement cash their checks, any funds remaining in the Net Settlement
 Fund shall be donated to a non-profit charitable organization(s) selected by Lead
 Counsel.

21 **THE BASIS FOR CALCULATING YOUR RECOGNIZED LOSS:**

22 Each Authorized Claimant shall be allocated a *pro rata* share of the Net
 23 Settlement Fund based on their Recognized Loss as compared to the total Recognized
 24 Losses of all Authorized Claimants. Recognized Losses will be calculated as follows:

25 For Authorized Claimants who have Recognized Losses for more than one type
 26 of FAT Brands security pursuant to the subsections below, their total Recognized Loss
 27 will be the aggregate of their Recognized Losses for each type of security.

I) For FAT Brands Class A Common Stock (trading symbol, FAT) purchased during the Settlement Class Period, the Recognized Loss shall be calculated as follows:

A. For shares retained at the end of trading on May 20, 2022, the Recognized Loss shall be the lesser of:

- (i) \$2.36 per share; or
- (ii) the difference between the purchase price per share and \$6.85 per share.¹

B. For shares sold on or before February 18, 2022, the Recognized Loss per share shall be \$0.

C. For shares sold between February 22, 2022 and May 20, 2022, inclusive, the Recognized Loss shall be the lesser of:

- i) \$2.36 per share; or
- ii) the difference between the purchase price per share and the average closing price per share as of date of sale provided in Table A below.

Table A

<u>Date</u>	<u>Closing Price</u>	<u>Average Closing Price</u>	<u>Date</u>	<u>Closing Price</u>	<u>Average Closing Price</u>
2/22/2022	\$8.14	\$8.14	4/7/2022	\$7.15	\$7.54
2/23/2022	\$7.95	\$8.05	4/8/2022	\$6.75	\$7.51
2/24/2022	\$7.06	\$7.72	4/11/2022	\$6.60	\$7.49
2/25/2022	\$7.51	\$7.67	4/12/2022	\$6.15	\$7.45
2/28/2022	\$7.37	\$7.61	4/13/2022	\$5.56	\$7.40

¹ Pursuant to Section 21(D)(e)(1) 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, the award of damages to the plaintiff shall not exceed the difference between the purchase or sale price paid or received, as appropriate, by the plaintiff for 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.” \$6.85 per share was the mean (average) daily closing trading price of the Company’s Class A Common Stock during the 90-day period beginning on February 22, 2022 and ending on May 20, 2022.

1	3/1/2022	\$7.34	\$7.56	4/14/2022	\$6.06	\$7.36
2	3/2/2022	\$7.48	\$7.55	4/18/2022	\$5.82	\$7.33
3	3/3/2022	\$7.55	\$7.55	4/19/2022	\$5.65	\$7.28
4	3/4/2022	\$7.35	\$7.53	4/20/2022	\$5.70	\$7.24
5	3/7/2022	\$7.11	\$7.49	4/21/2022	\$5.50	\$7.20
6	3/8/2022	\$7.49	\$7.49	4/22/2022	\$6.13	\$7.18
7	3/9/2022	\$7.50	\$7.49	4/25/2022	\$6.00	\$7.15
8	3/10/2022	\$7.56	\$7.49	4/26/2022	\$5.75	\$7.12
9	3/11/2022	\$7.35	\$7.48	4/27/2022	\$5.87	\$7.09
10	3/14/2022	\$7.40	\$7.48	4/28/2022	\$5.75	\$7.06
11	3/15/2022	\$7.45	\$7.48	4/29/2022	\$5.95	\$7.04
12	3/16/2022	\$7.54	\$7.48	5/2/2022	\$5.83	\$7.02
13	3/17/2022	\$7.73	\$7.49	5/3/2022	\$6.30	\$7.00
14	3/18/2022	\$8.24	\$7.53	5/4/2022	\$6.25	\$6.99
15	3/21/2022	\$8.70	\$7.59	5/5/2022	\$6.12	\$6.97
16	3/22/2022	\$7.69	\$7.60	5/6/2022	\$6.00	\$6.95
17	3/23/2022	\$7.66	\$7.60	5/9/2022	\$6.10	\$6.94
18	3/24/2022	\$7.60	\$7.60	5/10/2022	\$6.03	\$6.92
19	3/25/2022	\$7.46	\$7.59	5/11/2022	\$6.14	\$6.91
20	3/28/2022	\$7.55	\$7.59	5/12/2022	\$6.00	\$6.89
21	3/29/2022	\$7.36	\$7.58	5/13/2022	\$6.72	\$6.89
22	3/30/2022	\$7.50	\$7.58	5/16/2022	\$6.89	\$6.89
23	3/31/2022	\$7.48	\$7.58	5/17/2022	\$6.72	\$6.88
24	4/1/2022	\$7.40	\$7.57	5/18/2022	\$6.56	\$6.88
25	4/4/2022	\$7.45	\$7.57	5/19/2022	\$6.00	\$6.87
26	4/5/2022	\$7.43	\$7.56	5/20/2022	\$5.86	\$6.85
27	4/6/2022	\$7.20	\$7.55			

28

II) For FAT Brands Class B Common Stock (trading symbol, FATBB) purchased during the Settlement Class Period, the Recognized Loss shall be calculated as follows:

A. For shares retained at the end of trading on May 20, 2022, the Recognized Loss shall be the lesser of:

- (i) \$1.64 per share; or
- (ii) the difference between the purchase price per share and \$8.09 per share.²

B. For shares sold on or before February 18, 2022, the Recognized Loss per share shall be \$0.

C. For shares sold between February 22, 2022 and May 20, 2022, inclusive, the Recognized Loss shall be the lesser of:

- i) \$1.64 per share; or
- ii) the difference between the purchase price per share and the average closing price per share as of date of sale provided in Table B below.

Table B

<u>Date</u>	<u>Closing Price</u>	<u>Average Closing Price</u>	<u>Date</u>	<u>Closing Price</u>	<u>Average Closing Price</u>
2/22/2022	\$8.89	\$8.89	4/7/2022	\$8.39	\$8.72
2/23/2022	\$9.96	\$9.42	4/8/2022	\$8.39	\$8.71
2/24/2022	\$9.11	\$9.32	4/11/2022	\$8.05	\$8.69
2/25/2022	\$9.29	\$9.31	4/12/2022	\$8.04	\$8.68
2/28/2022	\$9.60	\$9.37	4/13/2022	\$7.70	\$8.65
3/1/2022	\$9.30	\$9.36	4/14/2022	\$8.00	\$8.63
3/2/2022	\$9.72	\$9.41	4/18/2022	\$8.00	\$8.62

² \$8.09 per share was the mean (average) daily closing trading price of the Company's Class B Common Stock during the 90-day period beginning on February 22, 2022 and ending on May 20, 2022.

1	3/3/2022	\$9.30	\$9.40	4/19/2022	\$8.00	\$8.60
2	3/4/2022	\$9.21	\$9.38	4/20/2022	\$7.93	\$8.58
3	3/7/2022	\$8.75	\$9.31	4/21/2022	\$8.46	\$8.58
4	3/8/2022	\$8.74	\$9.26	4/22/2022	\$8.49	\$8.58
5	3/9/2022	\$8.50	\$9.20	4/25/2022	\$7.51	\$8.56
6	3/10/2022	\$8.08	\$9.11	4/26/2022	\$7.52	\$8.53
7	3/11/2022	\$7.79	\$9.02	4/27/2022	\$7.50	\$8.51
8	3/14/2022	\$7.79	\$8.94	4/28/2022	\$7.42	\$8.49
9	3/15/2022	\$8.18	\$8.89	4/29/2022	\$7.42	\$8.46
10	3/16/2022	\$7.70	\$8.82	5/2/2022	\$7.42	\$8.44
11	3/17/2022	\$7.81	\$8.76	5/3/2022	\$7.30	\$8.42
12	3/18/2022	\$7.30	\$8.69	5/4/2022	\$7.47	\$8.40
13	3/21/2022	\$7.54	\$8.63	5/5/2022	\$7.00	\$8.37
14	3/22/2022	\$7.80	\$8.59	5/6/2022	\$7.47	\$8.36
15	3/23/2022	\$7.86	\$8.56	5/9/2022	\$7.46	\$8.34
16	3/24/2022	\$8.11	\$8.54	5/10/2022	\$7.47	\$8.33
17	3/25/2022	\$8.00	\$8.51	5/11/2022	\$7.47	\$8.31
18	3/28/2022	\$7.70	\$8.48	5/12/2022	\$7.01	\$8.29
19	3/29/2022	\$10.55	\$8.56	5/13/2022	\$7.01	\$8.27
20	3/30/2022	\$9.97	\$8.61	5/16/2022	\$6.07	\$8.23
21	3/31/2022	\$9.70	\$8.65	5/17/2022	\$6.16	\$8.19
22	4/1/2022	\$9.67	\$8.69	5/18/2022	\$5.83	\$8.15
23	4/4/2022	\$9.16	\$8.70	5/19/2022	\$6.37	\$8.13
24	4/5/2022	\$9.21	\$8.72	5/20/2022	\$5.90	\$8.09
25	4/6/2022	\$9.20	\$8.73			
26						
27						
28						

III) For FAT Brands Cumulative Preferred Stock (trading symbol, FATBP) purchased during the Settlement Class Period, the Recognized Loss shall be calculated as follows:

A. For shares retained at the end of trading on May 20, 2022, the Recognized Loss shall be the lesser of:

- (i) \$5.32 per share; or
- (ii) the difference between the purchase price per share and \$13.66 per share.³

B. For shares sold on or before February 18, 2022, the Recognized Loss per share shall be \$0.

C. For shares sold between February 22, 2022 and May 20, 2022, inclusive, the Recognized Loss shall be the lesser of:

- i) \$5.32 per share; or
- ii) the difference between the purchase price per share and the average closing price per share as of date of sale provided in Table C below.

Table C

<u>Date</u>	<u>Closing Price</u>	<u>Average Closing Price</u>	<u>Date</u>	<u>Closing Price</u>	<u>Average Closing Price</u>
2/22/2022	\$12.37	\$12.37	4/7/2022	\$13.61	\$13.01
2/23/2022	\$14.93	\$13.65	4/8/2022	\$13.28	\$13.02
2/24/2022	\$13.12	\$13.47	4/11/2022	\$13.00	\$13.02
2/25/2022	\$13.11	\$13.38	4/12/2022	\$12.95	\$13.02
2/28/2022	\$13.37	\$13.38	4/13/2022	\$12.90	\$13.01
3/1/2022	\$13.44	\$13.39	4/14/2022	\$12.55	\$13.00
3/2/2022	\$13.49	\$13.40	4/18/2022	\$12.50	\$12.99
3/3/2022	\$13.40	\$13.40	4/19/2022	\$12.56	\$12.98

³ \$13.66 per share was the mean (average) daily closing trading price of the Company's Cumulative Preferred Stock during the 90-day period beginning on February 22, 2022 and ending on May 20, 2022.

1	3/4/2022	\$12.85	\$13.34	4/20/2022	\$12.55	\$12.97
2	3/7/2022	\$12.85	\$13.29	4/21/2022	\$12.58	\$12.96
3	3/8/2022	\$12.20	\$13.19	4/22/2022	\$12.71	\$12.95
4	3/9/2022	\$12.50	\$13.14	4/25/2022	\$12.35	\$12.94
5	3/10/2022	\$12.49	\$13.09	4/26/2022	\$12.50	\$12.93
6	3/11/2022	\$12.25	\$13.03	4/27/2022	\$12.55	\$12.92
7	3/14/2022	\$12.07	\$12.96	4/28/2022	\$12.50	\$12.91
8	3/15/2022	\$11.86	\$12.89	4/29/2022	\$12.77	\$12.91
9	3/16/2022	\$11.86	\$12.83	5/2/2022	\$12.93	\$12.91
10	3/17/2022	\$12.21	\$12.80	5/3/2022	\$13.25	\$12.92
11	3/18/2022	\$12.43	\$12.78	5/4/2022	\$13.43	\$12.93
12	3/21/2022	\$12.87	\$12.78	5/5/2022	\$13.29	\$12.93
13	3/22/2022	\$13.50	\$12.82	5/6/2022	\$14.33	\$12.96
14	3/23/2022	\$13.40	\$12.84	5/9/2022	\$15.99	\$13.02
15	3/24/2022	\$13.10	\$12.86	5/10/2022	\$17.10	\$13.09
16	3/25/2022	\$13.20	\$12.87	5/11/2022	\$16.68	\$13.15
17	3/28/2022	\$13.02	\$12.88	5/12/2022	\$16.40	\$13.21
18	3/29/2022	\$13.02	\$12.88	5/13/2022	\$17.60	\$13.29
19	3/30/2022	\$13.13	\$12.89	5/16/2022	\$17.36	\$13.36
20	3/31/2022	\$13.10	\$12.90	5/17/2022	\$17.98	\$13.43
21	4/1/2022	\$13.40	\$12.92	5/18/2022	\$18.08	\$13.51
22	4/4/2022	\$13.50	\$12.93	5/19/2022	\$18.17	\$13.58
23	4/5/2022	\$13.89	\$12.97	5/20/2022	\$18.36	\$13.66
24	4/6/2022	\$13.82	\$12.99			

25

26 IV) For FAT Brands Warrants to purchase Class A Common Stock (trading
 27 symbol, FATBW) purchased during the Class Period, the Recognized Loss shall
 28 be calculated as follows:

28

- 1
- 2 A. For warrants retained at the end of trading on May 20, 2022, the
- 3 Recognized Loss shall be the lesser of:
- 4 (i) \$2.37 per warrant; or
- 5 (ii) the difference between the purchase price per warrant and \$3.94 per
- 6 warrant.⁴
- 7
- 8 B. For warrants sold on or before February 18, 2022, the Recognized Loss
- 9 per warrant shall be \$0.
- 10
- 11 C. For warrants sold between February 22, 2022 and May 20, 2022,
- 12 inclusive, the Recognized Loss shall be the lesser of:
- 13 i) \$2.37 per warrant; or
- 14 ii) the difference between the purchase price per warrant and the
- 15 average closing price per warrant as of date of sale provided in table
- 16 D below.

17 Table D

<u>Date</u>	<u>Closing Price</u>	<u>Average Closing Price</u>
2/22/2022	\$4.47	\$4.47
2/23/2022	\$4.15	\$4.31
2/24/2022	\$3.44	\$4.02
2/25/2022	\$3.51	\$3.89
2/28/2022	\$3.51	\$3.82
3/1/2022	\$3.55	\$3.77
3/2/2022	\$3.63	\$3.75
3/3/2022	\$3.71	\$3.75
3/8/2022	\$4.00	\$3.77

26

27 ⁴ \$3.94 per warrant was the mean (average) daily closing trading price of the Company's Warrants to

28 purchase Class A Common Stock during the 90-day period beginning on February 22, 2022 and ending on May 20, 2022.

1	3/9/2022	\$4.34	\$3.83
2	3/11/2022	\$4.34	\$3.88
3	3/17/2022	\$4.90	\$3.96
4	3/18/2022	\$4.90	\$4.03
5	3/21/2022	\$5.00	\$4.10
6	3/22/2022	\$4.50	\$4.13
7	3/23/2022	\$4.50	\$4.15
8	3/24/2022	\$4.50	\$4.17
9	3/30/2022	\$4.50	\$4.19
10	3/31/2022	\$4.50	\$4.21
11	4/6/2022	\$3.87	\$4.19
12	4/7/2022	\$3.85	\$4.17
13	4/8/2022	\$3.55	\$4.15
14	4/11/2022	\$3.55	\$4.12
15	4/12/2022	\$3.55	\$4.10
16	4/13/2022	\$3.12	\$4.06
17	4/22/2022	\$3.12	\$4.02
18	4/28/2022	\$3.12	\$3.99
19	5/5/2022	\$3.12	\$3.96
20	5/9/2022	\$3.41	\$3.94

21
22
23
24
25
26
27
28

For purposes of calculating your Recognized Loss, the date of purchase or sale is the “contract” or “trade” date and not the “settlement” or “payment” date. The receipt or grant by gift, inheritance or operation of law of the Company shares shall not be deemed a purchase or sale of shares for the calculation of an Authorized Claimant’s Recognized Loss. The covering purchase of a short sale is not an eligible purchase.

1 For purposes of calculating your Recognized Loss, all purchases and sales shall
2 be matched on a First In First Out (“FIFO”) basis in chronological order.
3 Therefore, on the Proof of Claim enclosed with this Notice, you must provide all
4 your purchases of the Company shares during the period December 4, 2017
through and including May 20, 2022.

5 Payment pursuant to the Plan of Allocation approved by the Court shall be
6 conclusive against all Authorized Claimants. No person shall have any claim
7 against Defendants, Defendants’ Counsel, Plaintiffs, Lead Counsel or the
8 Settlement Administrator or other agent designated by Lead Counsel based on
9 the distributions made substantially in accordance with the Stipulation and the
10 Settlement contained therein, the Plan of Allocation, or further orders of the
11 Court. Each claimant shall be deemed to have submitted to the jurisdiction of the
12 Court with respect to the claimant’s Proof of Claim. All persons involved in the
13 review, verification, calculation, tabulation, or any other aspect of the processing
14 of the claims submitted in connection with the Settlement, or otherwise involved
15 in the administration or taxation of the Settlement Fund or the Net Cash
16 Settlement Amount shall be released and discharged from any and all claims
17 arising out of such involvement, and all Settlement Class Members, whether or
not they are to receive payment from the Net Cash Settlement Amount, will be
barred from making any further claim against the Net Settlement Fund beyond
the amount allocated to them as provided in any distribution orders entered by
the Court.

18 **9. How can I get a payment?**

19 To qualify for a payment, you must send in a form entitled “Proof of Claim and
20 Release Form.” This form is attached to this Notice. You may also obtain this
21 form on the Settlement website at www.strategicclaims.net/FAT. Read the
22 instructions carefully, fill out the form, sign it in the location indicated. The
23 Proof of Claim and Release Form may be completed in two ways: (1) by
24 completing and submitting it electronically at www.strategicclaims.net/FAT by
25 11:59 p.m. EST on _____, 2023; or (2) by mailing the claim form together
with all documentation requested in the form, postmarked no later than
_____, 2023, to the Claims Administrator at:

26 FAT Brands, Inc. Securities Litigation
27 c/o Strategic Claims Services
28 600 N. Jackson St., Ste. 205

P.O. Box 230
Media, PA 19063
Fax: 610-565-7985
info@strategicclaims.net

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

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

Unless you exclude yourself from the Settlement Class by the _____, 2023 deadline, you will remain a member of the Settlement Class and will be bound by the release of claims against the Defendants and other Released Parties if the Settlement is approved. That means you and all other Settlement Class Members and each of their respective parent entities, associates, affiliates, subsidiaries, predecessors, successors, assigns, attorneys, immediate family members, heirs, representatives, administrators, executors, devisees, legatees, and estates will release (agreeing never to sue, continue to sue, or be part of any other lawsuit) as against the Defendants and other Released Parties any and all claims which arise out of, are based upon or relate in any way to the purchase of FAT Brands securities during the Settlement Class Period. It means that all of the Court's orders will apply to you and legally bind you. That means you will accept a share of the Net Settlement Fund as the sole compensation for any losses you suffered in the purchase or sale of FAT Brands securities during the Settlement Class Period. The specific terms of the release are included in the Stipulation.

11. How do I exclude myself from the Settlement?

If you do not want to receive a payment from this Settlement, and you want to keep any right you may have to sue or continue to sue Defendants or other Released Parties on your own about the claims being released in this Settlement, then you must take steps to exclude yourself from the Settlement. To exclude yourself from the Settlement, you must mail a letter that (A) clearly indicates your name, address, phone number and e-mail contact information (if any) and states that you "request to be excluded from the Settlement Class in *In re FAT Brands Inc. Securities Litigation*, Case No. 2:22-cv-01820 (C.D. Cal.);" (B) states the date, number of shares and dollar amount of each FAT Brands securities purchase during the Settlement Class Period, and any sale transactions; and (C) states the number of shares of FAT Brands securities held by you as of

1 May 20, 2022. To be valid, such request for exclusion must be submitted with
2 documentary proof (i) of each purchase and, if applicable, sale transaction of
3 FAT Brands securities during the Settlement Class Period, and (ii)
4 demonstrating your status as a beneficial owner of the FAT Brands securities.
5 Any such request for exclusion must be signed and submitted by you, as the
6 beneficial owner, under penalty of perjury. You must mail your exclusion
request, to be received no later than _____, 2023, to the Claims Administrator
at the following address:

7 FAT Brands, Inc. Securities Litigation
8 c/o Strategic Claims Services
9 600 N. Jackson St., Ste. 205
10 P.O. Box 230
Media, PA 19063

11
12 You cannot exclude yourself by telephone or by e-mail.

13 If you properly exclude yourself, you will not receive a payment from the Net
14 Settlement Fund, you cannot object to the Settlement, and you will not be legally
15 bound by the Final Judgment in this case.

16 **12. If I do not exclude myself, can I sue the Defendants for the same thing**
17 **later?**

18 No. Unless you followed the procedure outlined in this Notice and the Court's
19 Preliminary Approval Order to exclude yourself, you give up any right to sue the
20 Defendants or other Released Parties for the claims being released in this
21 Settlement. If you have a pending lawsuit related to any Released Claims, speak
22 to your lawyer in that case immediately, since you must exclude yourself from
this Settlement Class to continue your own lawsuit.

23 **13. Do I have a lawyer in this case?**
24

25 The Court appointed The Rosen Law Firm, P.A. as Lead Counsel, to represent
26 you and the other Settlement Class Members. If you want to be represented by
27 your own lawyer, you may hire one at your own expense. Contact information
for The Rosen Law Firm, P.A. is provided above.

1 **14. How will the lawyers be paid?**

2 Lead Counsel have expended considerable time litigating this action on a
3 contingent fee basis and have paid for the expenses of the case themselves. They
4 have not been paid attorneys' fees or reimbursed for their expenses in advance
5 of this Settlement. Lead Counsel have done so with the expectation that, if they
6 are successful in recovering money for the Settlement Class, they will receive
7 attorneys' fees and be reimbursed for their litigation expenses from the
8 Settlement Fund, as is customary in this type of litigation. Lead Counsel will not
9 receive attorneys' fees or be reimbursed for their litigation expenses except from
10 the Settlement Fund. Therefore, Lead Counsel will file a motion asking the Court
11 at the Settlement Hearing to make an award of attorneys' fees in an amount not
12 to exceed one third of the Settlement, or \$1,000,000, for reimbursement of
reasonable litigation expenses not to exceed \$45,000, and an Award to Plaintiffs
in an amount not to exceed \$1,500 each, or \$3,000 total. The Court may award
less than these amounts. Any amounts awarded by the Court will come out of
the Settlement Fund.

13 **15. How do I tell the Court that I object to the Settlement?**

14 You can tell the Court you do not agree with the Settlement, any part of the
15 Settlement, the Plan of Allocation, Lead Counsel's motion for attorneys' fees
16 and expenses, or application for an Award to Plaintiffs, and that you think the
17 Court should not approve any or all of the foregoing, by mailing a letter stating
18 that you object to the Settlement in the matter of *In re FAT Brands Inc. Securities*
19 *Litigation*, Case No. 2:22-cv-01820 (C.D. Cal.). Be sure to include (1) your
20 name, address, and telephone number, (2) a list of all purchases and sales of FAT
21 Brands securities during the Settlement Class Period in order to show
22 membership in the Settlement Class, (3) all grounds for the objection, including
23 any legal support known to you or your counsel, (4) the name, address and
24 telephone number of all counsel, if any, who represent you, and (5) the number
25 of times you and/or your counsel has filed an objection to a class action
26 settlement in the last five years, the nature of each such objection in each case,
27 the jurisdiction in each case, and the name of the issuer of the security or seller
28 of the product or service at issue in each case. Attendance at the Settlement
Hearing is not necessary. Objectors wishing to be heard orally at the Settlement
Hearing are required to indicate in their written objection (or in a separate writing
that is submitted in accordance with the deadline and after instruction pertinent
to the submission of a written objection) that they intend to appear at the

Settlement Hearing and identify any witnesses they may call to testify or exhibits they intend to introduce into evidence at the Settlement Hearing. Be sure to serve copies of any objections, papers and briefs to **each** of the addresses listed below, to be received no later than _____, 2023:

Clerk of the Court
United States District Court
Central District of California
First Street Federal Courthouse
350 W. First Street, Suite 4311
Los Angeles, CA 90012

LEAD COUNSEL:
THE ROSEN LAW FIRM, P.A.
Phillip Kim
275 Madison Avenue, 40th Floor
New York, NY 10016

COUNSEL FOR DEFENDANTS:
SHEPPARD, MULLIN, RICHTER &
HAMPTON LLP
John P. Stigi III
1901 Avenue for the Stars, Suite 1600
Los Angeles, CA 90067

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

Objecting is simply telling the Court you do not like something about the Settlement or some portion thereof. You can object only if you stay in the Settlement Class. Requesting exclusion is telling the Court you do not want to be part of the Settlement Class and Settlement. If you exclude yourself, you cannot object to the Settlement because it no longer concerns you. If you stay in the Settlement Class and object, but your objection is overruled, you will not be allowed a second opportunity to exclude yourself.

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

The Court will hold a Settlement Hearing on _____, 2023, at __:__.m., at the U.S. District Court, Central District of California, First Street Federal Courthouse, 350 W. First Street, Courtroom 7C, Los Angeles, CA 90012, or by telephonic or videoconference means as directed by the Court.

At this hearing, the Court will consider whether the Settlement is fair, reasonable, and adequate and whether to approve the Settlement. If there are

1 objections, the Court will consider them, and the Court will listen to people who
2 have asked to speak at the hearing. The Court may also decide whether to
3 approve the Plan of Allocation, as well as how much to pay Lead Counsel for
attorneys' fees and expenses and how much to award to Plaintiffs.

4 **18. Do I have to come to the hearing?**

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

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

10 If you do nothing, you will not receive a payment from the Settlement. However,
11 unless you exclude yourself, you will not be able to start a lawsuit, continue with
12 a lawsuit, or be part of any other lawsuit against Defendants or the Released
13 Parties about the Released Claims (as defined in the Stipulation) ever again.

14 DATED: _____

15 _____
16 BY ORDER OF THE UNITED STATES
17 DISTRICT COURT FOR THE CENTRAL
18 DISTRICT OF CALIFORNIA
19
20
21
22
23
24
25
26
27
28

PROOF OF CLAIM AND RELEASE FORM

Deadline for Submission: _____

IF YOU PURCHASED FAT BRANDS, INC. ("FAT BRANDS" OR THE "COMPANY") PUBLICLY-TRADED SECURITIES DURING THE PERIOD FROM DECEMBER 4, 2017 THROUGH FEBRUARY 18, 2022, BOTH DATES INCLUSIVE ("SETTLEMENT CLASS PERIOD"), YOU ARE A "SETTLEMENT CLASS MEMBER" AND YOU MAY BE ENTITLED TO SHARE IN THE SETTLEMENT PROCEEDS. (EXCLUDED FROM THE SETTLEMENT CLASS ARE DEFENDANTS, THE PRESENT AND FORMER OFFICERS AND DIRECTORS OF FAT BRANDS AT ALL RELEVANT TIMES, THE IMMEDIATE FAMILY MEMBERS, LEGAL REPRESENTATIVES, HEIRS, SUCCESSORS OR ASSIGNS OF SUCH EXCLUDED PERSONS, AND ANY ENTITY AFFILIATED WITH ANY EXCLUDED PERSON OR IN WHICH ANY EXCLUDED PERSON HAS A CONTROLLING INTEREST. ALSO EXCLUDED ARE THOSE WHO VALIDLY OPT-OUT, AND THOSE WITH NO COMPENSATORY LOSSES).

IF YOU ARE A SETTLEMENT CLASS MEMBER, YOU MUST COMPLETE AND SUBMIT PROOF OF CLAIM AND RELEASE FORM ("PROOF OF CLAIM") IN ORDER TO BE ELIGIBLE FOR ANY SETTLEMENT BENEFITS. YOU CAN COMPLETE AND SUBMIT THE ELECTRONIC VERSION OF THIS PROOF OF CLAIM BY 11:59 P.M. EST ON _____, 2023 AT WWW.STRATEGICCLAIMS.NET/FAT.

IF YOU DO NOT COMPLETE AND SUBMIT AN ELECTRONIC VERSION OF THIS PROOF OF CLAIM, YOU MUST COMPLETE AND SIGN THIS PROOF OF CLAIM AND MAIL IT BY FIRST CLASS MAIL, POSTMARKED NO LATER THAN _____, 2023 TO STRATEGIC CLAIMS SERVICES, THE CLAIMS ADMINISTRATOR, AT THE FOLLOWING ADDRESS:

FAT Brands, 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

YOUR FAILURE TO SUBMIT YOUR CLAIM BY _____, 2023 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, YOU WILL NOT SHARE IN THE SETTLEMENT, BUT YOU NEVERTHELESS WILL BE BOUND BY THE FINAL JUDGMENT OF THE COURT UNLESS YOU EXCLUDE YOURSELF.

SUBMISSION OF A PROOF OF CLAIM DOES NOT ASSURE THAT YOU WILL SHARE IN THE PROCEEDS OF THE SETTLEMENT.

CLAIMANT'S STATEMENT

1. I (we) purchased FAT Brands, Inc. ("FAT Brands" or the "Company") publicly-traded securities during the Settlement Class Period. (Do not submit this Proof of Claim if you did not purchase FAT Brands securities during the Settlement Class Period.)
2. By submitting this Proof of Claim, I (we) state that I (we) believe in good faith that I am (we are) a Settlement Class Member(s) as defined above or am (are) acting for such person(s); that I am (we are) not a Defendant(s) in the Action or anyone excluded from the Settlement Class; that I (we) have read and understand the Notice of Pendency and Proposed Settlement of Class Action ("Notice"); that I (we) believe that I am (we are) entitled to receive a share of the Net Settlement Fund; that I (we) elect to participate in the proposed Settlement; 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. 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.
4. I (we) have set forth where requested below all relevant information with respect to each purchase of FAT Brands securities during the Settlement Class Period, and each sale, if any, of the same. I (we) agree to furnish additional information to the Claims Administrator to support this claim if requested to do so.
5. I (we) have enclosed photocopies of the stockbroker's confirmation slips, stockbroker's statements, or other documents evidencing each purchase and sale of FAT Brands securities 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.)
6. I (we) understand that the information contained in this Proof of Claim is subject to such verification as the Claims Administrator may request or as the Court may direct, and I (we) agree to cooperate in any such verification. (The information requested herein is designed to provide the minimum amount of information necessary to process most simple claims. The Claims Administrator may request additional information as required to efficiently and reliably calculate your Recognized Loss. In some cases, the Claims Administrator may condition acceptance of the claim upon the production of additional information, including, where applicable, information concerning transactions in any derivative securities, such as options.)
7. Upon the occurrence of the Court's approval of the Settlement, 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) parent entities, associates, affiliates, subsidiaries, predecessors, successors, assigns, attorneys, immediate family members, heirs, representatives, administrators, executors, devisees, legatees, and estates (or, if I am (we are) submitting this Proof of Claim on behalf of a corporation, a partnership, estate or one or more other persons, by it, him, her or them, and by its, his, her or their parent entities, associates, affiliates, subsidiaries, predecessors, successors, assigns, attorneys, immediate family members, heirs, representatives, administrators, executors, devisees, legatees, and estates) of each of the "Released Parties" of all "Released Claims" as those terms are defined in the Stipulation of Settlement, dated September 23, 2022 ("Stipulation").

EXHIBIT A-2

8. Upon the occurrence of the Court's approval of the Settlement, I (we) agree and acknowledge that my (our) signature(s) hereto shall effect and constitute a covenant by me (us) and my (our) parent entities, associates, affiliates, subsidiaries, predecessors, successors, assigns, attorneys, immediate family members, heirs, representatives, administrators, executors, devisees, legatees, and estates (or, if I am (we are) submitting this Proof of Claim on behalf of a corporation, a partnership, estate or one or more other persons, by it, him, her or them, and by its, his, her or their parent entities, associates, affiliates, subsidiaries, predecessors, successors, assigns, attorneys, immediate family members, heirs, representatives, administrators, executors, devisees, legatees, and estates) to permanently refrain from prosecuting or attempting to prosecute any Released Claims against any of the Released Parties.
9. "Released Parties" has the meaning defined in the Stipulation.
10. "Released Claims" has the meaning defined in the Stipulation.
11. "Unknown Claims" has the meaning defined in the Stipulation.
12. I (we) agree and 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 Released Claims, but I (we) agree and acknowledge that, upon the Effective Date as defined in the Stipulation, I (we) shall be deemed to have, and by operation of the Final Judgment shall have, fully, finally and forever settled and released, 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. I (we) agree and acknowledge that the foregoing waiver was separately bargained for and a key element of the Settlement of which this release is a part.
13. NOTICE REGARDING INSTITUTIONAL FILERS: 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 or by visiting the website www.strategicclaims.net/institutional-filers/. One spreadsheet may contain the information for multiple Persons and institutional accounts who constitute distinct legal entities ("Legal Entities"), 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 transactions and holdings in FAT Brands securities should be reported in the electronic file so that each resulting Claim corresponds to a single Legal Entity, regardless of the number of individually managed accounts the Legal Entity has, as only one Claim will be processed per Legal Entity (e.g. a Representative Filer reporting the transactions for a fund with multiple sub-accounts should report one total holding at the start of the Settlement Class Period, one total holding at the end of the Settlement Class Period, and a single set of transactions that includes all transactions made by the Legal Entity across their sub-accounts; this would constitute and be processed a single Claim). The Claims Administrator reserves the right to combine a Legal Entity's accounts into a single Claim prior to processing in the event that a Legal Entity's accounts are divided across multiple Claims when submitted by a Representative Filer. The Claims Administrator also reserves the right to request additional documentary proof regarding a Legal Entity's transactions and holdings in FAT Brands securities to prove and accurately process the Claim.
14. 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/FAT. 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

EXHIBIT A-2

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 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.

15. In order to provide accurate claims processing you must provide all transactions in FAT Brands securities between December 4, 2017 and May 20, 2022, both dates inclusive.

EXHIBIT A-2

I. CLAIMANT INFORMATION

Beneficial Owner Name:		
Record Owner Name:		
Address:		
City	State	ZIP
Foreign Province	Foreign Country	
Day Phone	Evening Phone	
Email		
Social Security Number (for individuals):	OR	Taxpayer Identification Number (for estates, trusts, corporations, etc.):

II. SCHEDULE OF TRANSACTIONS IN FAT BRANDS, INC. SECURITIES**Beginning Holdings:**

- A. State the total number of shares of FAT Brands, Inc. ("FAT Brands") securities held at the close of trading on December 3, 2017 (*must be documented*). If none, write "zero" or "0."

Class A (FAT)
Class B (FATBB)
Preferred (FATBP)
Warrants (FATBW)

Purchases:

- B. Separately list each and every purchase of FAT Brands securities between December 4, 2017 and May 20, 2022, both dates inclusive, and provide the following information (*must be documented*):

Security Type (Class A/Class B/Preferred/Warrants)	Trade Date (List Chronologically) (Month/Day/Year)	Number of Securities Purchased	Price per Security	Total Cost (Excluding Commissions, Taxes, and Fees)

EXHIBIT A-2

Sales:

C. Separately list each and every sale of FAT Brands securities between December 4, 2017 and May 20, 2022, both dates inclusive, and provide the following information (*must be documented*):

Security Type (Class A/Class B/Preferred/Warrants)	Trade Date (List Chronologically) (Month/Day/Year)	Number of Securities Sold	Price per Security	Amount Received (Excluding Commissions, Taxes, and Fees)

Ending Holdings:

D. State the total number of shares of FAT Brands securities held at the close of trading on May 20, 2022 (*must be documented*).

Class A (FAT)
Class B (FATBB)
Preferred (FATBP)
Warrants (FATBW)

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

III. SUBSTITUTE FORM W-9

Request for Taxpayer Identification Number:

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

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

IV. CERTIFICATION

I (We) submit this Proof of Claim under the terms of the Stipulation and Settlement 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)

EXHIBIT A-2

have not submitted any other claim covering the same purchases or sales of FAT Brands securities during the Settlement 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: _____

EXHIBIT A-2

THIS PROOF OF CLAIM AND RELEASE FORM MUST BE SUBMITTED ONLINE AT WWW.STRATEGICCLAIMS.NET/FAT NO LATER THAN 11:59 P.M. ON _____, 2023, OR POSTMARKED NO LATER THAN _____, 2023 AND MUST BE MAILED TO:

FAT Brands, 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

A Proof of Claim received by the Claims Administrator shall be deemed to have been submitted when posted, if mailed by _____, 2023 and if a postmark is indicated on the envelope and it is mailed first class and addressed in accordance with the above instructions. In all other cases, a Proof of Claim shall be deemed to have been submitted when actually received by the Claims Administrator.

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

REMINDER CHECKLIST

- Please be sure to sign this Proof of Claim on page _____. If this Proof of Claim is submitted on behalf of joint claimants, then both claimants must sign.
- Please remember to attach supporting documents. Do NOT send any stock certificates. Keep copies of everything you submit.
- Do NOT use highlighter on the Proof of Claim 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.

1
2
3
4
5
6
7
8
9 UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

10
11 IN RE:

12 FAT BRANDS INC. SECURITIES
13 LITIGATION

Case No. 2:22-cv-01820-MCS-RAO

Hon. Mark C. Scarsi

14 CLASS ACTION
15
16
17
18

19
20
21 **SUMMARY NOTICE OF PENDENCY AND**
22 **PROPOSED CLASS ACTION SETTLEMENT**
23
24
25
26
27
28

1 **TO: ALL PERSONS WHO PURCHASED THE PUBLICLY-TRADED**
2 **SECURITIES OF FAT BRANDS, INC. (“FAT BRANDS”) FROM**
3 **DECEMBER 4, 2017 THROUGH FEBRUARY 18, 2022, BOTH DATES**
4 **INCLUSIVE.**

5 YOU ARE HEREBY NOTIFIED, pursuant to an Order of the United States
6 District Court for the Central District of California, that a hearing will be held on
7 _____, 2023, at __:__ .m. before the Honorable Mark C. Scarsi, United States
8 District Judge of the United States District Court for the Central District of California,
9 First Street Federal Courthouse, 350 W. First Street, Courtroom 7C, Los Angeles, CA
10 90012, or by telephonic or videoconference means as directed by the Court, for the
11 purpose of determining:

12 (1) whether the proposed Settlement of the claims in the above-captioned Action
13 for consideration including the sum of \$3,000,000 (“Settlement Amount”) should be
14 approved by the Court as fair, reasonable, and adequate;

15 (2) whether the proposed plan to distribute the Settlement proceeds is fair,
16 reasonable, and adequate;

17 (3) whether the application of Lead Counsel for an award of attorneys’ fees of
18 up one third of the Settlement Amount, reimbursement of expenses of not more than
19 \$45,000, and an award of no more than \$1,500 each, or \$3,000 total, to Plaintiffs,
20 should be approved; and

21 (4) whether this Action should be dismissed with prejudice as set forth in the
22 Stipulation of Settlement, dated September 23, 2022 (“Stipulation”).

23 If you purchased FAT Brands securities during the period from December 4,
24 2017 through February 18, 2022, both dates inclusive (“Settlement Class Period”), your
25 rights may be affected by this Settlement, including the release and extinguishment of
26 claims you may possess relating to your ownership interest in FAT Brands securities.

27 If you have not received a postcard providing instructions for receiving a detailed
28 Notice of Pendency and Proposed Settlement of Class Action (“Long Notice”) and a

1 copy of the Proof of Claim and Release Form (“Proof of Claim”), you may obtain
 2 copies by writing to or calling FAT Brands, Inc. Securities Litigation, c/o Strategic
 3 Claims Services, 600 N. Jackson St., Ste. 205, P.O. Box 230, Media, PA 19063; (Tel)
 4 (866) 274-4004; (Fax) (610) 565-7985; info@strategicclaims.net, or going to the
 5 website, www.strategicclaims.net/FAT. If you are a member of the Settlement Class,
 6 in order to share in the distribution of the Net Settlement Fund, you must submit a
 7 properly completed Proof of Claim electronically or postmarked no later than
 8 _____, 2023 to the Claims Administrator, establishing that you are
 9 entitled to recovery. Unless you submit a written exclusion request, you will be bound
 10 by any judgment rendered in the Action whether or not you make a claim.

11 If you desire to be excluded from the Settlement Class, you must submit a request
 12 for exclusion in the manner and form explained in the Long Notice to the Claims
 13 Administrator so that it is received no later than _____, 2023. All members
 14 of the Settlement Class who have not requested exclusion from the Settlement Class
 15 will be bound by any judgment entered in the Action.

16 Any objection to the Settlement, Plan of Allocation, or Lead Counsel’s request
 17 for an award of attorneys’ fees and reimbursement of expenses and an award to
 18 Plaintiffs must be in the manner and form explained in the Long Notice and received
 19 no later than _____, 2023, by each of the following:

20
 21 Clerk of the Court
 22 United States District Court
 23 Central District of California
 24 First Street Federal Courthouse
 25 350 W. First Street, Suite 4311
 26 Los Angeles, CA 90012

26 LEAD COUNSEL:
 27 THE ROSEN LAW FIRM, P.A.
 28 Phillip Kim
 275 Madison Avenue, 40th Floor

COUNSEL FOR DEFENDANTS:
 SHEPPARD, MULLIN, RICHTER &
 HAMPTON LLP
 John P. Stigi III

1 New York, NY 10016

1901 Avenue for the Stars, Suite 1600
Los Angeles, CA 90067

2
3 If you have any questions about the Settlement, you may call or write to Lead
4 Counsel:

5
6 THE ROSEN LAW FIRM, P.A.
7 Phillip Kim
8 275 Madison Avenue, 40th Floor
9 New York, NY 10016
Tel: 212-686-1060

10
11 **PLEASE DO NOT CONTACT THE COURT OR THE CLERK'S OFFICE**
12 **REGARDING THIS NOTICE.**

13
14 Dated: _____, 2022

15 _____
16 BY ORDER OF THE UNITED
17 STATES DISTRICT COURT FOR THE
18 CENTRAL DISTRICT OF
19 CALIFORNIA

EXHIBIT A-4

Court-Ordered Legal Notice

Forwarding Service Requested

*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.

FAT Brands, Inc. Securities Litigation
c/o Strategic Claims Services
600 N. Jackson Street, Suite 205
Media, PA 19063

In re FAT Brands Inc. Securities Litigation, Case No. 2:22-cv-01820 (C.D. Cal.)
THIS CARD ONLY PROVIDES LIMITED INFORMATION ABOUT THE SETTLEMENT.
PLEASE VISIT WWW.STRATEGICCLAIMS.NET/FAT OR CALL 1-866-274-4004 FOR MORE INFORMATION.

There has been a proposed Settlement of all claims against FAT Brands, Inc. ("FAT Brands") and certain of its officers and directors (collectively, "Defendants"). The Settlement resolves a lawsuit in which Plaintiffs allege that, in violation of the federal securities laws, Defendants misled investors, issuing materially false and misleading statements and causing damages to Settlement Class Members. Defendants deny any wrongdoing.

You received this Notice because you or someone in your family may have purchased FAT Brands securities between December 4, 2017 and February 18, 2022, both dates inclusive ("Settlement Class Period"). The Settlement provides that, in exchange for the settlement and dismissal and release of Defendants, a fund consisting of \$3,000,000 ("Settlement Fund"), less attorneys' fees and expenses, will be divided among all Settlement Class Members who submit a valid Proof of Claim and Release Form ("Proof of Claim"). For a full description of the Settlement, your rights, and to make a claim, please view the Stipulation of Settlement at www.strategicclaims.net/FAT and please request a copy of the Notice of Pendency and Proposed Settlement of Class Action ("Long Notice") and Proof of Claim by contacting the Claims Administrator in any of the following ways: (1) mail: *FAT Brands, Inc. Securities Litigation*, c/o Strategic Claims Services, 600 N. Jackson St., Ste. 205, P.O. Box 230, Media, PA 19063; (2) call: toll free, (866) 274-4004; (3) Fax: (610) 565-7985; (4) email: info@strategicclaims.net; or (5) visit the website: www.strategicclaims.net/FAT.

To qualify for payment, you must submit a Proof of Claim to the Claims Administrator. A copy of the Proof of Claim can be found on the website. **PROOF OF CLAIMS ARE DUE BY _____, 2023 TO FAT BRANDS, INC. SECURITIES LITIGATION, C/O STRATEGIC CLAIMS SERVICES, P.O. BOX 230, 600 N. JACKSON STREET, SUITE 205, MEDIA, PA 19063 OR SUBMITTED ONLINE AT WWW.STRATEGICCLAIMS.NET/FAT.** If you do not want to be legally bound by the Settlement, you must exclude yourself by _____, 2023, 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 _____, 2023. The Long Notice explains how to exclude yourself or to object.

The Court will hold a hearing on _____, 2023 at _____ a.m. at First Street Courthouse, 350 W. 1st Street, Courtroom 7C, 7th Floor, Los Angeles, California 90012, or via remote means at the Court's direction, to consider whether to approve the Settlement, the Plan of Allocation, a request for attorneys' fees of up to one third of the Settlement Fund, plus actual expenses up to \$45,000 for litigating the case and negotiating the Settlement, and a compensatory Award to Plaintiffs not to exceed \$1,500 each or \$3,000 total ("Final Approval Hearing"). You may attend the hearing and ask to be heard by the Court, but you do not have to. The Court reserves the right to hold the Final Approval Hearing by remote means. You may, but are not required to, attend the hearing and ask to be heard by the Court. For more information, call (866) 274-4004, or visit www.strategicclaims.net/FAT.

EXHIBIT B

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

IN RE:

FAT BRANDS INC. SECURITIES
LITIGATION

Case No. 2:22-cv-01820-MCS-RAO

Hon. Mark C. Scarsi

CLASS ACTION

[PROPOSED] ORDER AND FINAL JUDGMENT

1 On the ____ day of _____, 2023, a hearing having been held before
2 this Court to determine: (1) whether the terms and conditions of the Stipulation of
3 Settlement dated September 23, 2022 (“Stipulation”) are fair, reasonable and
4 adequate for the settlement of all claims asserted by the Settlement Class against
5 Defendants (as defined in the Stipulation), including the release of the Released
6 Claims against the Released Parties, and should be approved; (2) whether judgment
7 should be entered dismissing this Action with prejudice; (3) whether to approve the
8 proposed Plan of Allocation as a fair and reasonable method to allocate the Net
9 Settlement Fund among Settlement Class Members; (4) whether and in what
10 amount to award Lead Counsel as fees and reimbursement of expenses; and (5)
11 whether and in what amount to approve an award to the Plaintiffs; and

12 The Court having considered all matters submitted to it at the hearing and
13 otherwise; and

14 It appearing in the record that the Notice substantially in the form approved
15 by the Court in the Court’s Order Granting Plaintiffs’ Motion for Preliminary
16 Approval of Class Action Settlement, dated _____, 2022 (“Preliminary
17 Approval Order”) was disseminated to all reasonably identifiable Settlement Class
18 Members and posted to the website of the Claims Administrator, both in accordance
19 with the Preliminary Approval Order and the specifications of the Court; and

20 NOW, THEREFORE, IT IS HEREBY ORDERED, ADJUDGED AND
21 DECREED THAT:

22 1. All capitalized terms used herein have the same meanings as set forth
23 and defined in the Stipulation.

24 2. For purposes of this Settlement, the Court has jurisdiction over the
25 subject matter of the Action, Plaintiffs, all Settlement Class Members, and
26 Defendants.

1 3. The Court finds that the prerequisites for a class action under Rule
2 23(a) and (b)(3) of the Federal Rules of Civil Procedure have been satisfied in that:
3 (a) the number of Settlement Class Members is so numerous that joinder of all
4 members thereof is impracticable; (b) there are questions of law and fact common
5 to the Settlement Class; (c) Plaintiffs' claims are typical of the claims of the
6 Settlement Class they seek to represent; (d) Plaintiffs fairly and adequately
7 represent the interests of the Settlement Class; (e) questions of law and fact common
8 to the members of the Settlement Class predominate over any questions affecting
9 only individual members of the Settlement Class; and (f) a class action is superior
10 to other available methods for the fair and efficient adjudication of this Action. The
11 Settlement Class is being certified for settlement purposes only.

12 4. The Court hereby finally certifies this action as a class action for
13 purposes of the Settlement, pursuant to Rule 23(a) and (b)(3) of the Federal Rules
14 of Civil Procedure, on behalf of all Persons who purchased publicly traded FAT
15 Brands, Inc. ("FAT Brands") securities during the period from December 4, 2017
16 through February 18, 2022, both dates inclusive ("Settlement Class Period"), except
17 that excluded from the Settlement Class are: (a) persons who suffered no
18 compensable losses; and (b) Defendants; the officers, directors, and affiliates of
19 FAT Brands at all relevant times; FAT Brands' employee retirement or benefit
20 plan(s) and their participants or beneficiaries to the extent they purchased or
21 acquired FAT Brands securities through any such plan(s); immediate family
22 members, legal representatives, heirs, successors or assigns of any excluded person
23 or entity; and any entity affiliated with any excluded person or in which any
24 excluded person or entity has a controlling interest. Also excluded from the
25 Settlement Class are Persons who filed valid and timely requests for exclusion from
26 the Settlement Class in accordance with this Preliminary Approval Order, as listed
27 on Schedule A to this Final Judgment. Pursuant to Rule 23 of the Federal Rules of
28

1 Civil Procedure, Plaintiffs are certified as the class representatives on behalf of the
2 Settlement Class (“Class Representatives”) and Lead Counsel previously selected
3 by Lead Plaintiff and appointed by the Court are hereby appointed as Class Counsel
4 for the Settlement Class (“Class Counsel”).

5 5. In accordance with the Court’s Preliminary Approval Order, the Court
6 hereby finds that the forms and methods of notifying the Settlement Class of the
7 Settlement and its terms and conditions met the requirements of due process, Rule
8 23 of the Federal Rules of Civil Procedure, and Section 21D(a)(7) of the Exchange
9 Act, 15 U.S.C. § 78u-4(a)(7), as amended by the Private Securities Litigation
10 Reform Act of 1995; constituted the best notice practicable under the
11 circumstances; and constituted due and sufficient notice of these proceedings and
12 the matters set forth herein, including the Settlement and Plan of Allocation, to all
13 persons and entities entitled to such notice. No Settlement Class Member is relieved
14 from the terms and conditions of the Settlement, including the releases provided for
15 in the Stipulation, based upon the contention or proof that such Settlement Class
16 Member failed to receive actual or adequate notice. A full opportunity has been
17 offered to the Settlement Class Members to object to the proposed Settlement and
18 to participate in the hearing thereon. Thus, it is hereby determined that all
19 Settlement Class Members are bound by this Final Judgment except those persons
20 listed on Schedule A to this Final Judgment.

21 6. The Settlement is approved as fair, reasonable and adequate, and in the
22 best interests of the Settlement Class. This Court further finds that the Settlement
23 set forth in the Stipulation is the result of good faith, arm’s-length negotiations
24 between experienced counsel representing the interests of Class Representatives,
25 Settlement Class Members, and Defendants. The Parties are directed to
26 consummate the Settlement in accordance with the terms and provisions of the
27 Stipulation.

1 7. The Action and all claims contained therein, as well as all of the
2 Released Claims, are dismissed with prejudice as against each and all of the
3 Defendants. The Parties are to bear their own costs, except as otherwise provided
4 in the Settlement Stipulation.

5 8. Upon the Effective Date, the Releasing Parties, on behalf of
6 themselves, their successors and assigns, and any other Person claiming (now or in
7 the future) through or on behalf of them, regardless of whether any such Releasing
8 Party ever seeks or obtains by any means, including without limitation by
9 submitting a Proof of Claim, any disbursement from the Settlement Fund, shall be
10 deemed to have, and by operation of this Final Judgment shall have, fully, finally,
11 and forever compromised, settled, resolved, released, relinquished, waived,
12 dismissed and discharged all Released Claims against the Released Parties and shall
13 have covenanted not to sue the Released Parties with respect to any and all Released
14 Claims, and shall be permanently barred and enjoined from asserting, commencing,
15 prosecuting, instituting, assisting, instigating, or in any way participating in the
16 commencement or prosecution of any action or other proceeding, in any forum,
17 asserting any Released Claim, in any capacity, against any of the Released Parties.
18 For the avoidance of doubt, Defendants are released from any and all claims for
19 contribution or indemnity, as would otherwise be allowed by Section 21D of the
20 Exchange Act, 15 U.S.C. §78u-4(f)(7). Nothing contained herein shall, however,
21 bar the Releasing Parties from bringing any action or claim to enforce the terms of
22 the Stipulation or this Final Judgment. Nor shall anything contained herein limit or
23 release any claims Defendants may have with regard to insurance coverage that may
24 be available to them under any applicable policy. This release shall not apply to any
25 Settlement Class Members who timely and properly exclude themselves from the
26 Settlement Class.

1 9. With respect to any and all Released Claims, the Releasing Parties
2 shall waive, shall be deemed to have waived, and by operation of this Final
3 Judgment shall have waived, the provisions, rights, and benefits of California Civil
4 Code § 1542, which provides:

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

10 10. With respect to any and all Released Claims, the Releasing Parties
11 shall waive, shall be deemed to have waived, and by operation of this Final
12 Judgment shall have waived, any and all provisions, rights and benefits conferred
13 by any law of any state, territory, foreign country or principle of common law,
14 which is similar, comparable or equivalent to California Civil Code § 1542. The
15 Releasing Parties may hereafter discover facts in addition to or different from those
16 which they now knows or believes to be true with respect to the Released Claims,
17 but the Releasing Parties, upon the Effective Date, shall be deemed to have, and by
18 operation of this Final Judgment shall have, fully, finally and forever settled and
19 released, any and all Released Claims, known or unknown, suspected or
20 unsuspected, contingent or non-contingent, whether or not concealed or hidden,
21 which now exist, or heretofore have existed, upon any theory of law or equity now
22 existing or coming into existence in the future, including, but not limited to, conduct
23 which is negligent, intentional, with or without malice, or a breach of fiduciary duty,
24 law or rule, without regard to the subsequent discovery or existence of such
25 different or additional facts. The Releasing Parties acknowledge and the Settlement
26 Class Members shall be deemed by operation of this Final Judgment to have
27
28

1 acknowledged, that the foregoing waiver was separately bargained for and a key
2 element of the Settlement.

3 11. Upon the Effective Date, the Released Parties shall be deemed to have,
4 and by operation of the Final Judgment shall have, fully, finally, and forever
5 released, relinquished, and discharged all claims they may have against the
6 Releasing Parties related to the Releasing Parties' prosecution of the Action or any
7 other known or unknown counter-claim related thereto and shall have covenanted
8 not to sue the Releasing Parties with respect to any counter claim, claim, or sanction
9 related to the Released Claims, and shall be permanently barred and enjoined from
10 asserting, commencing, prosecuting, instituting, assisting, instigating, or in any way
11 participating in the commencement or prosecution of any action or other
12 proceeding, in any forum, asserting any such claim, in any capacity, against any of
13 the Releasing Parties. Nothing contained herein shall, however, bar the Released
14 Parties from bringing any action or claim to enforce the terms of this Stipulation or
15 the Final Judgment.

16 12. The Court finds that all Parties and their counsel have complied with
17 all requirements of Rule 11 of the Federal Rules of Civil Procedure and the Private
18 Securities Litigation Record Act of 1995 as to all proceedings herein.

19 13. Neither this Final Judgment, the Stipulation (nor the Settlement
20 contained therein), nor any of its terms and provisions, nor any of the negotiations,
21 documents or proceedings connected with them is evidence, or an admission or
22 concession by any Party or their counsel, any Settlement Class Member, or any of
23 the Released Parties, of any fault, liability or wrongdoing whatsoever, as to any
24 facts or claims alleged or asserted in the Action or could have been alleged or
25 asserted, or any other actions or proceedings, or as to the validity or merit of any of
26 the claims or defenses alleged or asserted or could have been alleged or asserted in
27 any such action or proceeding. This Final Judgment is not a finding or evidence of
28

1 the validity or invalidity of any claims or defenses in the Action, any wrongdoing
2 by any Party, Settlement Class Member, or any of the Released Parties, or any
3 damages or injury to any Party, Settlement Class Member, or any Released Parties.
4 Neither this Final Judgment, the Stipulation (nor the Settlement contained therein),
5 nor any of its terms and provisions, nor any of the negotiations, documents or
6 proceedings connected with therewith (a) shall (i) be argued to be, used or construed
7 as, offered or received in evidence as, or otherwise constitute an admission,
8 concession, presumption, proof, evidence, or a finding of any, liability, fault,
9 wrongdoing, injury or damages, or of any wrongful conduct, acts or omissions on
10 the part of any Released Party, or of any infirmity of any defense, or of any damages
11 to Class Representatives or any other Settlement Class Member, or (ii) otherwise
12 be used to create or give rise to any inference or presumption against any of the
13 Released Parties concerning any fact or any purported liability, fault, or wrongdoing
14 of the Released Parties or any injury or damages to any person or entity, or (b) shall
15 otherwise be admissible, referred to or used in any proceeding of any nature, for
16 any purpose whatsoever; provided, however, that this Final Judgment, the
17 Stipulation, or the documents related thereto may be introduced in any proceeding,
18 whether in the Court or otherwise, as may be necessary to enforce the Settlement or
19 Final Judgment, to effectuate the liability protection granted them hereunder, to
20 support a defense or counterclaim based on principles of *res judicata*, collateral
21 estoppel, release, good faith settlement, judgment bar or reduction, offset or any
22 other theory of claim preclusion or issue preclusion or similar defense or
23 counterclaim or as otherwise required by law.

24 14. Except as otherwise provided herein or in the Stipulation, all funds and
25 Settlement Shares held by the Escrow Agent shall be deemed to be in *custodia legis*
26 and shall remain subject to the jurisdiction of the Court until such time as the funds
27
28

1 are distributed or returned pursuant to the Stipulation and/or further order of the
2 Court.

3 15. Exclusive jurisdiction is hereby retained over the Parties and the
4 Settlement Class Members for all matters relating to the Action, including the
5 administration, interpretation, effectuation or enforcement of the Stipulation and
6 this Final Judgment, and including any application for fees and expenses incurred
7 in connection with administering and distributing the Settlement Fund to the
8 Settlement Class Members.

9 16. Without further order of the Court, Defendants and Class
10 Representatives may agree to reasonable extensions of time to carry out any of the
11 provisions of the Stipulation.

12 17. There is no just reason for delay in the entry of this Final Judgment
13 and immediate entry by the Clerk of the Court is expressly directed pursuant to Rule
14 54(b) of the Federal Rules of Civil Procedure.

15 18. The finality of this Final Judgment shall not be affected, in any
16 manner, by rulings that the Court makes herein on the proposed Plan of Allocation
17 or Class Counsel's application for an award of attorneys' fees and expenses or an
18 award to Class Representatives.

19 19. The Court hereby finds that the proposed Plan of Allocation is a fair
20 and reasonable method to allocate the Net Settlement Fund among Settlement Class
21 Members, and Class Counsel and the Claims Administrator are directed to
22 administer the Plan of Allocation in accordance with its terms and the terms of the
23 Stipulation.

24 20. Class Counsel are hereby awarded _____% of the Settlement
25 Amount, or \$_____, in fees, which the Court finds to be fair and reasonable,
26 and \$_____ in reimbursement of out-of-pocket expenses. Class
27 Representatives are hereby awarded \$_____ each, which the Court finds
28

1 to be fair and reasonable. Defendants and the Released Parties shall have no
2 responsibility for, and no liability whatsoever with respect to, any payments to Class
3 Counsel, Class Representatives, the Settlement Class and/or any other Person who
4 receives payment from the Settlement Fund.

5 21. In the event the Settlement is not consummated in accordance with the
6 terms of the Stipulation, then the Stipulation and this Final Judgment (including any
7 amendment(s) thereof, and except as expressly provided in the Stipulation or by
8 order of the Court) shall be shall have no further force and effect with respect to the
9 Parties and shall not be used in the Action or in any other proceeding for any
10 purpose, and any judgment or order entered by the Court in accordance with the
11 terms of this Stipulation shall be treated as vacated, *nunc pro tunc*. and each Party
12 shall be restored to his, her or its respective litigation positions as they existed prior
13 to August 10, 2022, pursuant to the terms of the Stipulation.

14 22. To the extent the Settlement Shares include securities that are not
15 registered pursuant to the Securities Act of 1933, the Court finds, pursuant to
16 Section 3(a)(10) of the Securities Act of 1933, as amended, that under the terms of
17 the Settlement, the exchange of said securities for Settlement Class Members'
18 claims and Class Counsel's services in this action is fair.

19
20
21 Dated: _____, 2023

HON. MARK C. SCARSI
UNITED STATES DISTRICT JUDGE

Schedule A

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28