



GRANTED WITH MODIFICATIONS

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Transaction ID: 7387397
Case No. 2023-0383-LWW



IN THE COURT OF CHANCERY OF THE STATE OF DELAWARE

MATTHEW MCKNIGHT,

Plaintiff,

v.

ALLIANCE ENTERTAINMENT
HOLDING CORP. F/K/A ADARA
ACQUISITION CORP., ADARA
SPONSOR LLC, THOMAS
FINKE, PAUL G. PORTER,
BEATRIZ ACEVEDO-GREIFF,
W. TOM DONALDSON III,
DYLAN GLENN and FRANK
QUINTERO,

Defendants.

C.A. No. 2023-0383-LWW

[PROPOSED] AMENDED SCHEDULING ORDER WITH RESPECT TO NOTICE AND SETTLEMENT HEARING

WHEREAS, a stockholder class action is pending in this Court, entitled *Matthew McKnight v. Alliance Entertainment Holding Corp., et al.*, C.A. No. 2023-0383-LWW (the “Action”);

WHEREAS, the Amended Stipulation and Agreement of Compromise, Settlement, and Release, dated as of January 17, 2025 (the “Stipulation”), has been entered into by and among: Plaintiff Matthew McKnight (“Plaintiff”), individually and on behalf of the Class (defined below); (ii) Defendant Alliance Entertainment Holding Corp. f/k/a Adara Acquisition Corp. (the “Company”); Defendants Thomas

Finke, Beatriz Acevedo-Greiff, W. Tom Donaldson III, Dylan Glenn, Frank Quintero, Paul G. Porter; and Adara Sponsor LLC (“Defendant Sponsor”) (collectively, “Defendants,” and together with Plaintiff, the “Parties,” and each a “Party”);

WHEREAS, the Stipulation provides for a settlement, subject to the approval of the Court, among the Parties and for dismissal of the Action with prejudice as against Defendants upon the terms and conditions set forth in the Stipulation (the “Settlement”);

NOW, upon consent of the Parties, after review and consideration of the Stipulation filed with the Court and the Exhibits attached thereto, and after due deliberation,

IT IS HEREBY ORDERED, this ____ day of _____, 2025 that:

1. Except for terms defined herein, the Court adopts and incorporates the definitions in the Stipulation for purposes of this Order.
2. The Court has jurisdiction over the subject matter of the Action, and all matters relating to the Settlement of the Action, as well as personal jurisdiction over all of the Parties and each of the Class Members (as defined below).
3. In accordance with the proposed class definition in the Stipulation, for the purposes of the Settlement only, the Action preliminarily shall be maintained as

a class action under Delaware Court of Chancery Rules 23(a), 23(b)(1), and 23(b)(2), consisting of the following class (the “Class”):

All record and beneficial owners of Alliance Entertainment Holding Corp. f/k/a Adara Acquisition Corp. Class A Common Stock (“Stock”) that: (i) held redeemable Stock but chose not to redeem by December 8, 2022; or (ii) held unredeemed Stock at the time of the Merger. Excluded from the Class are: (a) Defendants; (b) members of the immediate family of any individual Defendant; (c) any person who was an officer, director, or partner of any Defendant between December 8, 2022 and February 10, 2023 and any members of their immediate family; (d) any parent, subsidiary, or affiliate of Defendants; (e) any entity in which any Defendant or any other excluded person or entity has, or had a controlling interest between December 8, 2022 and February 10, 2023; and (f) the legal representatives, agents, affiliates, heirs, estates, successors, or assigns of any such excluded persons or entities (the “Excluded Persons”)

4. The Court preliminarily appoints Plaintiff as Class representative for the Class, and Plaintiff’s Counsel, The Rosen Law Firm, P.A. and Farnan LLP, as counsel for the Class (“Class Counsel”).

5. For purposes of the Settlement only, the Court preliminarily finds that: (a) the members of the Class (collectively, the “Class Members”) are so numerous that their joinder in the Action would be impracticable; (b) there are questions of law and fact common to the Class; (c) the claims of Plaintiff are typical of the claims of the Class; (d) in connection with the prosecution of the Action and the Settlement, Plaintiff and Class Counsel have and will fairly and adequately represent and protect the interests of the Class; (e) the prosecution of separate actions by individual Class Members would create a risk of inconsistent adjudications that would establish

incompatible standards of conduct for Defendants, and, as a practical matter, the disposition of the Action as against Defendants would influence the disposition of any pending or future identical suits, actions, or proceedings brought by other Class Members; and (f) Defendants are alleged to have acted or refused to act on grounds generally applicable to the Class, thereby making appropriate final injunctive relief or corresponding declaratory relief with respect to the Class as a whole.

6. A hearing (the “Settlement Hearing”) will be held on June 17, 2025, at 11:00 a.m., in person at the Court of Chancery of the State of Delaware, Leonard L. Williams Justice Center, 500 North King Street, Wilmington, Delaware, 19801 to, among other things:

a. determine whether to finally certify the Class for settlement purposes only, pursuant to Court of Chancery Rules 23(a), 23(b)(1), and 23(b)(2);

b. determine whether Plaintiff and Plaintiff’s Counsel have adequately represented the Class, and whether Plaintiff should be finally appointed as Class representative for the Class and Plaintiff’s Counsel should be finally appointed as Class counsel for the Class;

c. determine whether the proposed Settlement should be approved as fair, reasonable, and adequate to the Class and in the best interests of the Class;

d. determine whether the Action should be dismissed with prejudice and the Releases provided under the Stipulation should be granted;

- e. determine whether the Order and Final Judgment approving the Settlement should be entered;
- f. determine whether the proposed Plan of Allocation of the Net Settlement Fund is fair and reasonable, and should therefore be approved;
- g. determine whether and in what amount any Fee and Expense Award should be paid to Class Counsel out of the Settlement Fund;
- h. hear and rule on any objections to the Settlement, the proposed Plan of Allocation, and/or Class Counsel's application for a Fee and Expense Award; and
- i. consider any other matters that may properly be brought before the Court in connection with the Settlement.

7. The Court may adjourn and reconvene the Settlement Hearing, or any adjournment thereof, including the consideration of the application for any Fee and Expense Award, without further notice to Class Members other than oral announcement at the Settlement Hearing or any adjournment thereof, or a notation on the docket in the Action, and the Court retains jurisdiction over the Parties and all Class Members to consider all further applications arising out of or connected with the proposed Settlement.

8. The Court may decide to hold the Settlement Hearing by telephone or videoconference without notice to the Class. If the Court orders that the Settlement

Hearing be conducted telephonically or by videoconference, that decision will be posted on the Settlement website, www.strategicclaims.net/Alliance. Any Class Member (or his, her, or its counsel) who wishes to appear at the Settlement Hearing should consult the Court's docket and/or the Settlement website for any change in date, time, or format of the Settlement Hearing.

9. The Court may approve the Settlement at or after the Settlement Hearing, according to the terms and conditions of the Stipulation, as it may be modified by the Parties without further notice to Class Members. The Court may approve the Plan of Allocation or a modified plan of allocation at or after the Settlement Hearing, without further notice to Class Members. Further, the Court may render its judgment and order the payment of the Fee and Expense Award at or after the Settlement Hearing, with such modifications as may be consented to by the Parties and the Company, without further notice of any kind.

10. The Court approves Strategic Claims Services ("SCS") as the Settlement Administrator to provide notice to the Class and administer the Settlement, including the allocation and distribution of the Settlement Fund.

11. The Court approves, in form and substance, the Notice of Pendency and Proposed Settlement of Stockholder Class Action, Settlement Hearing, and Right to Appear attached as Exhibit B to the Stipulation (the "Notice") and the Summary Notice of Pendency and Proposed Settlement of Stockholder Class Action,

Settlement Hearing, and Right to Appear attached as Exhibit C to the Stipulation (the “Summary Notice”).

12. The Court finds that the mailing of the Notice and publication of the Summary Notice in substantially the manner set forth in this Order constitutes the best notice practicable under the circumstances to all persons entitled to such notice of the Settlement Hearing and the proposed Settlement, and meets the requirements of Delaware Court of Chancery Rule 23, the requirements of due process, and all other applicable law and rules.

13. Beginning not later than twenty (20) business days from the date of entry of this Order (such date that is twenty (20) business days after the date of entry of this Order, the “Notice Date”), the Settlement Administrator shall mail, or cause to be mailed, by first class U.S. mail or other mail service if mailed outside the U.S., postage prepaid, or sent by email, the Notice, substantially in the form attached as Exhibit B to the Stipulation, to each Class Member at their last known mailing address, or email address, appearing in the Securities Transfer Records or on other documents obtained by Plaintiff’s Counsel sufficient to identify the members of the Class. Upon written request, the Company will provide Plaintiff’s Counsel and/or the Settlement Administrator permission to access DTC records or similar records needed to identify potential Class Members, to the extent the Company has the authority to provide such access, and at no additional cost to Defendants. All record

holders of the Company's Stock who hold such Stock on behalf of beneficial owners and who receive the Notice shall be requested to either: (i) within seven (7) calendar days of receipt of the Notice, request from the Settlement Administrator sufficient copies of the Notice to forward to all such beneficial owners, and within seven (7) calendar days of receipt of those Notices, forward them to all such beneficial owners; or (ii) within seven (7) calendar days of receipt of the Notice, provide a list of the names, addresses, and, if available, email addresses of all such beneficial owners to the Settlement Administrator, in which event the Settlement Administrator shall promptly mail the Notice to such beneficial owners. The Settlement Administrator shall, if requested, reimburse nominees or custodians out of the Settlement Fund solely for their reasonable out-of-pocket expenses incurred in providing notice to beneficial owners, which expenses would not have been incurred except for the providing names and addresses, of up to \$0.03 per name, address, and email address provided to the Settlement Administrator; up to \$0.03 per unit for each Notice actually mailed, plus postage at the pre-sort rate used by the Settlement Administrator; or up to \$0.03 per email notice sent, and subject to further order of this Court with respect to any dispute concerning such reimbursement.

14. Not later than the Notice Date, the Settlement Administrator shall cause the Stipulation and the Notice to be posted on the Settlement website,

www.strategicclaims.net/Alliance, from which copies of the Notice and the Stipulation may be downloaded.

15. At any time after entry of this Order, Plaintiff's Counsel may, without further approval from the Court or Defendants, disburse up to \$50,000, from the Settlement Fund to pay reasonable and necessary Administration and Notice Costs prior to the Effective Date. After the Effective Date, additional amounts may be transferred from the Settlement Fund for Plaintiff's Counsel to pay any additional reasonable and necessary Administration and Notice Costs without further Order of the Court.

16. Not later than ten (10) business days after the Notice Date, Class Counsel or the Settlement Administrator shall cause the Summary Notice, substantially in the form attached as Exhibit C to the Stipulation, to be published in *Investor's Business Daily* and over *GlobeNewswire*.

17. Class Counsel is authorized and directed to prepare any tax returns and any other tax reporting form for or in respect of the Settlement Fund, to pay from the Settlement Fund any Taxes and Tax Expenses owed with respect to the Settlement Fund, and to otherwise perform all obligations with respect to Taxes and Tax Expenses and any reporting or filings in respect thereof without further order of the Court in a manner consistent with the provisions of the Stipulation.

18. By at least seven (7) calendar days prior to the date of the Settlement Hearing (June 10, 2025), Plaintiff shall file with the Court proof of mailing of the Notice.

19. The Settlement Fund that will be held in the Escrow Account shall be deemed and considered to be *in custodia legis* of the Court, and shall remain subject to the exclusive jurisdiction of the Court, until such time as the Settlement Fund is distributed pursuant to the Stipulation, the Plan of Allocation, and/or further order(s) of the Court.

20. Class Members shall be bound by all determinations and judgments in this Action, whether favorable or unfavorable.

21. Unless the Court orders otherwise, any Class Member may enter an appearance in the Action, solely at the Class Member's own expense, individually or through counsel of the Class Member's own choice, by filing with the Register in Chancery and delivering a notice of appearance to Class Counsel and Defendants' Counsel at the addresses set forth in Paragraph 22 below, such that it is received no later than fifteen days prior to the Settlement Hearing (by June 2, 2025), or as the Court may otherwise direct. Any Class Member who does not enter an appearance will be represented by Class Counsel and shall be deemed to have waived and forfeited any and all rights the Class Member may otherwise have to appear separately at the Settlement Hearing.

22. Any Class Member may file a written objection to the Settlement, the proposed Plan of Allocation, and/or Class Counsel’s application for the Fee and Expense Award (an “Objector”), if the Class Member has any cause, why the proposed Settlement, Plan of Allocation, and/or the application for the Fee and Expense Award should not be approved; provided, however, that, unless otherwise directed by the Court for good cause shown, no Objector shall be heard or entitled to contest the approval of the terms and conditions of the proposed Settlement, the Plan of Allocation, and/or the application for the Fee and Expense Award unless that person or entity has filed a written objection with the Register in Chancery, Court of Chancery of the State of Delaware, Leonard L. Williams Justice Center, 500 North King Street, Wilmington, Delaware, 19801, and served (electronically by File & ServeXpress, by hand, by first class U.S. mail, or by express service) copies of the objection upon each of the following counsel at the following mailing addresses such that it is received no later than fifteen calendar days prior to the Settlement Hearing (by June 2, 2025), with copies also emailed to:

Daniel Tyre-Karp
THE ROSEN LAW FIRM, P.A.
275 Madison Avenue, 40th Floor
New York, NY 10016
dtyrekarp@rosenlegal.com

Class Counsel

Evan H. Lechtman
Adam V. Orlacchio
BLANK ROME LLP
1201 N. Market Street, Suite 800
Wilmington, DE 19801
evan.lechtman@blankrome.com
adam.orlacchio@blankrome.com

Counsel for Defendants

Counsel for the Parties are directed to promptly furnish each other with copies of any and all objections that might come into their possession.

23. Any objections must: (i) identify the case name and civil action number, “*Matthew McKnight v. Alliance Entertainment Holding Corp., et al.*, C.A. No. 2023-0383-LWW”; (ii) state the name, address, and telephone number of the Objector and, if represented by counsel, the name, address, and telephone number of the Objector’s counsel; (iii) be signed by the Objector; (iv) contain a specific, written statement of the objection(s) and the specific reason(s) for the objection(s), including any legal and evidentiary support the Objector wishes to bring to the Court’s attention, and if the Objector has indicated that he, she, or it intends to appear at the Settlement Hearing, the identity of any witnesses the Objector may call to testify and any exhibits the Objector intends to introduce into evidence at the Settlement Hearing; and (v) include documentation sufficient to prove that the Objector is a member of the Class. Documentation establishing that an Objector is a member of the Class must consist of copies of monthly brokerage account statements or an authorized statement from the Objector’s broker containing the transactional and holding information found in an account statement. Class Counsel may request that the Objector submit additional information or documentation sufficient to prove that the objector is a Class Member.

24. Any Person who fails to object in the manner described above shall be deemed to have waived the right to object (including any right of appeal) and shall be forever barred from raising any objection in the Action or any other action or proceeding or otherwise contesting the Settlement, the Plan of Allocation, or the application for the Fee and Expense Award in the Action, or any other proceeding, and will otherwise be bound by the Order and Final Judgment to be entered and the releases to be given. Class Members who do not object need not appear at the Settlement Hearing or take any other action to indicate their approval.

25. At least thirty (30) days prior to the Settlement Hearing (by May 16, 2025), Plaintiff shall file any opening briefs in support of the proposed Settlement and Plan of Allocation, and Class Counsel shall file their application for the Fee and Expense Award, including any supporting affidavit(s). At least seven (7) calendar days prior to the date of the Settlement Hearing (by June 10, 2025), the Parties shall file any reply in response to any objections to the Settlement or the Plan of Allocation, and Class Counsel shall file any reply in response to any objections to their application for the Fee and Expense Award.

26. All proceedings in the Action against Defendants, other than proceedings as may be necessary to carry out the terms and conditions of the Stipulation, are hereby stayed and suspended until further order of the Court. Pending final determination of whether the Settlement should be approved, the Court

bars and enjoins Plaintiff and all other Class Members, and anyone acting or purporting to act on behalf of, in the stead of, or derivatively for, any Class Member, from commencing, pursuing, prosecuting, instigating, maintaining, or in any way participating in the commencement, pursuit, continuation, or prosecution of any action asserting any of the Plaintiff's Released Claims against any of Defendants' Released Parties.

27. The Court may, for good cause shown, extend any of the deadlines set forth in this Order without further notice to the Class.

28. The Court retains exclusive jurisdiction to consider all further applications arising out of or connected with the proposed Settlement.

Dated: _____

Vice Chancellor Lori W. Will

This document constitutes a ruling of the court and should be treated as such.

Court: DE Court of Chancery Civil Action

Judge: Lori W. Will

**File & Serve
Transaction ID:** 75987082

Current Date: Apr 02, 2025

Case Number: 2023-0383-LWW

Case Name: Matthew McKnight v. Alliance Entertainment Holding Corp., ET AL

**Court Authorizer
Comments:**

Notice must be disseminated no fewer than 60 days before the Settlement Hearing.

/s/ Judge Lori W. Will