

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

In re SHENGDATECH, INC. SECURITIES : X
LITIGATION : Master No. 1:11-cv-01918-LGS
: :
: CLASS ACTION
: :
This Document Relates To: : AMENDED STIPULATION AND
: : AGREEMENT OF SETTLEMENT
: :
ALL ACTIONS. :
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This Amended Stipulation and Agreement of Settlement, dated June 10, 2015 (the “Stipulation” or the “Settlement Agreement”), submitted pursuant to Rule 23 of the Federal Rules of Civil Procedure and Rule 408 of the Federal Rules of Evidence, embodies a settlement (the “Settlement”) made and entered into by and among the following Settling Parties: (i) Lead Plaintiffs Edward Schaul and Donald Yaw (“Lead Plaintiffs”), on behalf of themselves and each of the members of the Class, as defined in ¶¶ 1.3-1.4, *infra*, on the one hand, and (ii) Defendant KPMG, a Hong Kong partnership (“KPMG HK” or the “Settling Defendant”), on the other hand, by and through its counsel of record in the above-captioned litigation pending in the United States District Court for the Southern District of New York (the “Action”). This Stipulation is intended by the Settling Parties to fully, finally, and forever resolve, discharge, and settle the Released Claims, as defined in ¶ 1.20, *infra*, upon and subject to the terms and conditions hereof and subject to the approval of the Court. Throughout this Stipulation, all capitalized terms used, but not immediately defined, have the meanings given to them in Section IV.1, *infra*. This Stipulation does not resolve the claims against the non-settling Defendants—specifically, Defendants ShengdaTech, Inc. (“ShengdaTech” or the “Company”), Xiangzhi Chen, Andrew Weiwen Chen, Anhui Guo, Dongquan Zhang, A. Carl Mudd, and Sheldon B. Saidman.

I. THE LITIGATION

This case is currently pending before the Honorable Lorna G. Schofield in the United States District Court for the Southern District of New York (the “Court”) and was brought on behalf of a Class of all persons who purchased ShengdaTech common stock during the period from May 6, 2008, through and including March 15, 2011 (the “Class Period”). The initial complaint was filed on March 18, 2011 (Dkt. #1), and, on December 6, 2011, the Court appointed Lead Plaintiffs and

approved of their selection of the law firm of Robbins Geller Rudman & Dowd LLP as Lead Counsel (Dkt. #22).

Lead Plaintiffs filed their Consolidated Amended Class Action Complaint for Violations of the Federal Securities Laws (the “AC”) on October 15, 2012 (Dkt. #23). In the AC, Lead Plaintiffs mistakenly named KPMG LLP, rather than KPMG HK, as a defendant. Upon learning of this mistake, Lead Plaintiffs conferred with KPMG HK’s counsel and entered into a tolling agreement which would allow Lead Plaintiffs to amend the AC to assert claims against KPMG HK for its role as ShengdaTech’s auditor. On March 8, 2013, Lead Plaintiffs moved to amend the AC (Dkt. #53-55) in order to, among other things, add KPMG HK as a party.

On August 6, 2013, in order to preserve their claims against KPMG HK since the tolling agreement with KPMG HK was due to expire and the Court had not yet ruled on Lead Plaintiffs’ motion to amend, Lead Plaintiffs filed their Second Consolidated Amended Class Action Complaint for Violations of the Federal Securities Laws (the “SAC”) (Dkt. #65). On August 22, 2013, Judge Griesa issued an opinion dismissing the AC as to Defendants Mudd and Saidman (the “Opinion”) (Dkt. #67). However, the Opinion only addressed the allegations of the AC and not the additional allegations of the SAC. *See id.*

On September 3, 2013, this action was reassigned to Judge Schofield. On September 5, 2013, Lead Plaintiffs moved for reconsideration of the Opinion on the basis that Judge Griesa did not consider the additional allegations included in the SAC (Dkt. #70-71). On October 4, 2013, the Court held a status conference and granted Lead Plaintiffs’ motion for reconsideration and their motion for leave to amend the AC to, among other things, add KPMG HK as a party (Dkt. #83). On October 28, 2013, Lead Plaintiffs filed their Third Consolidated Amended Class Action Complaint for Violations of the Federal Securities Laws (“TAC”) (Dkt. #85).

The TAC generally alleges that KPMG HK: (i) recklessly conducted its audit of the Company's 2008 and 2009 financial statements; (ii) violated its obligations under Generally Accepted Accounting Standards ("GAAS"); (iii) failed to investigate red flags that should have notified it of ShengdaTech's entirely fictitious business operations; and (iv) as a result, allowed ShengdaTech's common stock to trade at artificially inflated prices. The TAC asserts claims against KPMG HK under Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5 promulgated thereunder.

The Settling Defendant denies each and all of the allegations of wrongdoing made by Lead Plaintiffs in the litigation. The Settling Defendant contends that the TAC does not plead with particularity facts showing the required "strong inference" that KPMG HK acted with fraudulent intent. Nor does the TAC properly allege that KPMG HK's audit opinions were even false.

On November 25, 2013, KPMG HK filed its motion to dismiss the TAC (Dkt. #91-93). The motion was fully briefed by January 13, 2014 (Dkt. #96, #101). While KPMG HK's motion to dismiss was *sub judice*, the parties engaged in preliminary settlement discussions. KPMG HK responded to Lead Plaintiffs' settlement demand by agreeing to mediate.

Thereafter, the parties asked the Court to stay adjudication of KPMG HK's motion to dismiss, pending completion of the mediation. Rather than stay adjudication of KPMG HK's motion to dismiss as the parties requested, the Court denied the motion without reaching its merits, but with leave for KPMG HK to refile if the mediation was not successful.

On August 12, 2014, prior to the mediation, the Court entered an Order dismissing with prejudice Plaintiffs' claims against the directors Mudd and Saidman. The Court held that the directors' expertise, duty to oversee the Company's financial reporting, access to corporate books, and alleged awareness of "red flags" did not establish scienter, as required to sustain Plaintiffs'

Section 10(b) claims. On September 10, 2014, the Settling Parties participated in a full-day mediation session with David Geronemus, Esq., a respected mediator, who has extensive experience mediating complex class action litigations, such as this Action. After a full day of mediation, the Settling Parties executed a Settlement Term Sheet.

On September 29-30, 2014, Lead Plaintiffs attended a global mediation between Defendants ShengdaTech, A. Carl Mudd, and Sheldon B. Saidman, and plaintiffs. The global mediation included Lead Plaintiffs and plaintiffs in the following three cases: (a) Oaktree Capital Management, L.P., et al. v. Mudd, et al., No. A-13-678471 (Nev. Dist. Ct. Clark Cnty.); (b) Miller Investment Trust v. Chen, et al., No. 12-cv-4997-LGS (S.D.N.Y.); and (c) ShengdaTech Liquidating Trust v. Chen, et al., No. 13-AP-547 (D. Nev. Bankr.). However, the mediation was unsuccessful in reaching a global resolution among all interested parties.

On October 24, 2014, Lead Plaintiffs filed a motion for an order vacating the opinion and order dated August 12, 2014 (the “Opinion”) (Dkt. #116) under Fed. R. Civ. P. 60(b), and permitting them to file their [Proposed] Fourth Amended Consolidated Class Action Complaint for Violations of the Federal Securities Laws under Fed. R. Civ. P. 15(a) and (d) (“Lead Plaintiffs’ 60(b) Motion”). On November 14, 2014, Judge Bruce T. Beesley, for the U.S. Bankruptcy Court, District of Nevada, ordered all parties that attended the September 29-30, 2014 global mediation to a settlement conference beginning December 16, 2014.

On December 16-18, 2014, Lead Plaintiffs attended a second global mediation, which was ultimately unsuccessful. On January 9, 2015, Defendants Saidman and Mudd filed their opposition to Lead Plaintiffs’ 60(b) Motion,” and on January 16, 2015, Lead Plaintiffs filed their reply in further support of their 60(b) Motion. As of the execution of this agreement, there has been no ruling on Lead Plaintiffs’ 60(b) Motion.

After further negotiations regarding the settlement terms, on June 10, 2015, the Settling Parties executed this Stipulation and its exhibits.

II. CLAIMS OF LEAD PLAINTIFFS AND BENEFITS OF SETTLEMENT

Lead Plaintiffs and Lead Counsel believe that the claims asserted in the Action have merit, but Lead Plaintiffs and Lead Counsel recognize and acknowledge the expense and length of continued proceedings necessary to prosecute the Action against the Settling Defendant through trial. Lead Plaintiffs and Lead Counsel also have taken into account the uncertain outcome and risks in connection with Settling Defendant's motion to dismiss, Lead Plaintiffs' anticipated motion for class certification, Settling Defendant's anticipated summary judgment motion, and a jury trial, especially in complex matters such as this Action, as well as the risks posed by and the difficulties and delays relating to post-trial motions, and potential appeals of the Court's determination of said motions, or the verdict of a jury. Lead Plaintiffs and Lead Counsel also are aware of the risks presented by the defenses to the securities law violations asserted in the Action. Lead Plaintiffs and Lead Counsel believe that the Settlement set forth in this Stipulation confers substantial benefits upon the Class in light of the circumstances present here. Based on their evaluation, Lead Plaintiffs and Lead Counsel have determined that the Settlement set forth in this Stipulation is in the best interests of Lead Plaintiffs and the Class.

III. THE SETTLING DEFENDANT'S DENIAL OF WRONGDOING AND LIABILITY

The Settling Defendant has denied and continues to deny that it violated the federal securities laws and maintains that its conduct was at all times proper and in compliance with all applicable provisions of law. The Settling Defendant has denied and continues to deny specifically each and all of the allegations of wrongful conduct contained in the Action, along with all charges of wrongdoing or liability against them arising out of any of the conduct, statements, acts or omissions alleged, or

that could have been alleged, in the Action. The Settling Defendant also has denied and continues to deny, *inter alia*, the allegations that it knowingly or otherwise made any material misstatements or omissions; that any member of the Class has suffered any damages; that the price of ShengdaTech common stock was artificially inflated by reason of the alleged misrepresentations, omissions, or otherwise; and that the members of the Class were harmed by the conduct alleged in the Action or that could have been alleged as part of the Action. In addition, the Settling Defendant maintains that it has meritorious defenses to all claims alleged in the Action.

Nonetheless, taking into account the uncertainty, risks, costs and burdens inherent in any litigation, especially in complex cases such as this Action, the Settling Defendant has concluded that further conduct of the Action could be protracted and distracting. The Settling Defendant has, therefore, determined that it is desirable and beneficial to it that the Action be settled in the manner and upon the terms and conditions set forth in this Stipulation.

As set forth in ¶¶ 8.2-8.3 below, this Stipulation shall in no event be construed or deemed to be evidence of or an admission or concession on the part of the Settling Defendant, or any of the Released Persons (as defined below), with respect to any claim or allegation of any fault or liability or wrongdoing or damage whatsoever, or any infirmity in the defenses that the Settling Defendant has, or could have, asserted.

IV. TERMS OF STIPULATION AND AGREEMENT OF SETTLEMENT

NOW, THEREFORE, IT IS HEREBY STIPULATED AND AGREED by and among Lead Plaintiffs (for themselves and the members of the Class), on the one hand, and the Settling Defendant, on the other hand, by and through their respective counsel of record, that, subject to the approval of the Court, pursuant to Rule 23(e) of the Federal Rules of Civil Procedure, in consideration of the benefits flowing to the parties from the Settlement set forth herein, the Released

Claims shall be finally and fully compromised, settled, and released, and the Action shall be dismissed with prejudice, as to the Settling Parties, upon and subject to the terms and conditions of this Stipulation, as follows.

1. Definitions

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

1.1 “Authorized Claimant” means any member of the Class who submits a timely and valid Proof of Claim and Release form and whose claim for recovery has been allowed pursuant to the terms of this Stipulation.

1.2 “Claims Administrator” means the firm of Gilardi & Co.

1.3 “Class” means all Persons who purchased ShengdaTech common stock during the Class Period (May 6, 2008, through and including March 15, 2011). Excluded from the Class are any Defendant in this Action, the officers and directors of ShengdaTech during the Class Period, members of their immediate families, and their legal representatives, heirs, successors or assigns, and any entity in which any Defendant, or any officer or director of ShengdaTech, has or had a controlling interest. Also excluded from the Class are those Persons who timely and validly exclude themselves therefrom.

1.4 “Class Member” means a Person who falls within the definition of the Class as set forth in ¶ 1.3 of this Stipulation.

1.5 “Class Period” means the period from May 6, 2008, through and including March 15, 2011.

1.6 “Effective Date” means the first date by which all of the events and conditions specified in ¶ 7.1 of this Stipulation have been met and have occurred.

1.7 “Escrow Account” means the account controlled by the Escrow Agent.

1.8 “Escrow Agent” means BNY Mellon, N.A. or its respective successor(s).

1.9 “Final” means, with respect to any order of court, including, without limitation, the Judgment, that such order represents a final and binding determination of all issues within its scope and has not been reversed, vacated, or modified in any way and is no longer subject to appellate review, either because of disposition on appeal and conclusion of the appellate process or because of passage, without action, of time for seeking appellate review. Without limitation, an order becomes Final when: (a) no appeal has been filed and the time has passed for any notice of appeal to be timely filed; or (b) an appeal has been filed and either: (i) the court of appeals has affirmed the judgment or dismissed that appeal and the time for any reconsideration or further appellate review has expired, or (ii) a higher court has granted further appellate review and that court has affirmed the underlying judgment or affirmed the court of appeals’ decision affirming the judgment or dismissing the appeal. For purposes of this paragraph, an “appeal” shall include appeals as of right, discretionary appeals, interlocutory appeals, proceedings involving any petition for a writ of certiorari or other writ that may be filed in connection with approval or disapproval of this Settlement. Any appeal or other proceeding pertaining solely to the Plan of Distribution or the Fee and Expense Application, as defined in ¶ 6.1 below, shall not in any way delay or preclude the Judgment from becoming Final.

1.10 “Judgment” means the final judgment, bar order, and order of dismissal with prejudice to be rendered by the Court upon approval of the Settlement, substantially in the form attached hereto as Exhibit B.

1.11 “KPMG Entities” means KPMG HK, KPMG International Cooperative, and all other KPMG member firms and affiliates.

1.12 “Lead Counsel” means Robbins Geller Rudman & Dowd LLP.

1.13 “Lead Plaintiffs” means Edward Schaul and Donald Yaw.

1.14 “Net Settlement Fund” means the Settlement Fund, plus any interest accrued thereon, less: (i) Court-awarded attorneys’ fees and expenses; (ii) Class Notice and Administration Costs actually and properly incurred or disbursed; (iii) Taxes and Tax Expenses; and (iv) any other fees or expenses approved by the Court.

1.15 “Notice” means the Notice of Pendency and Proposed Settlement of Class Action to be sent to Class Members, which, subject to approval of the Court, shall be substantially in the form attached hereto as Exhibit A-1.

1.16 “Person” means an individual, corporation, partnership, limited partnership, limited liability company, joint venture, association, joint stock company, estate, legal representative, trust, unincorporated association, government or any political subdivision or agency thereof, and any business, legal or other entity and his, her or its spouses, heirs, predecessors, successors, representatives, or assignees.

1.17 “Plaintiffs’ Counsel” means Lead Counsel and any counsel who filed a complaint in the Action.

1.18 “Plan of Distribution” means a plan or formula of allocation of the Net Settlement Fund whereby the Settlement Fund shall be distributed to Authorized Claimants after payment of Class Notice and Administration Costs, Taxes and Tax Expenses and such attorneys’ fees, costs, expenses, and interest and other expenses as may be awarded by the Court. Any Plan of Distribution is not part of this Stipulation and the Released Persons shall have no responsibility or liability with respect to the Plan of Distribution.

1.19 “Related Persons” means, with respect to the KPMG Entities, each and all of their respective present or former parents, subsidiaries, affiliates, successors and assigns, and each and all

of their respective present or former officers, directors, employees, employers, attorneys, accountants, financial advisors, commercial bank lenders, insurers, investment bankers, representatives, general and limited partners and partnerships, heirs, administrators, successors, affiliates, agents, spouses, associates, and assigns of each of them, or any trust of which any Related Person is the settlor or which is for the benefit of any Related Person and/or member(s) of its, his or her family and any entity in which any such Related Person has a controlling interest.

1.20 “Released Claims” means any and all claims and causes of action of every nature and description whether known or unknown, whether arising under federal, state, common or foreign law, arising from either: (i) the purchase of ShengdaTech common stock during the Class Period, or (ii) acts, statements or omissions that were or could have been alleged by Lead Plaintiffs in the Action against the Released Persons. Released Claims include Unknown Claims but do not include and specifically exclude claims to enforce this Stipulation.

1.21 “Released Persons” means the KPMG Entities and each and all of their Related Persons.

1.22 “Settlement Amount” means One Million Nine Hundred Thousand U.S. Dollars (\$1,900,000.00).

1.23 “Settlement Fund” means One Million Nine Hundred Thousand U.S. Dollars (\$1,900,000.00) in cash paid by or on behalf of the Settling Defendant pursuant to ¶ 2.1 of this Stipulation, together with all interest and income earned thereon after being transferred to an account controlled by the Escrow Agent.

1.24 “Settling Parties” means Lead Plaintiffs on behalf of themselves and the Class Members, and the Settling Defendant.

1.25 “Summary Notice” means the Summary Notice, which, subject to approval of the Court, shall be substantially in the form attached hereto as Exhibit A-3.

1.26 “Unknown Claims” means any Released Claims which Lead Plaintiffs or any Class Members do not know or suspect to exist in his, her or its favor at the time of the release of the Released Persons, and any claims that the Released Persons do not know or suspect to exist in his, her, or its favor at the time of the release of the Lead Plaintiffs, each and all of the Class Members and Plaintiffs’ Counsel, which, if known by him, her or it, might have affected his, her or its settlement with and release of the Released Persons or Lead Plaintiffs, each and all of the Class Members and Plaintiffs’ Counsel, or might have affected his, her or its decision not to object to this Settlement or seek exclusion. Unknown Claims include those Released Claims in which some or all of the facts compromising the claim may be suspected, or even undisclosed or hidden. With respect to any and all Released Claims, the Settling Parties stipulate and agree that, upon the Effective Date, Lead Plaintiffs and the Settling Defendant shall expressly, and each of the Class Members and Released Persons shall be deemed to have, and by operation of the Judgment shall have, expressly waived to the fullest extent permitted by law the provisions, rights, and benefits of California Civil Code §1542, which provides:

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

Lead Plaintiffs and the Settling Defendant shall expressly, and each of the Class Members and Released Persons shall be deemed to have, and by operation of the Judgment shall have, expressly waived any and all provisions, rights, and benefits conferred by any law of any state or territory of the United States, or principle of common law or international or foreign law, which is similar, comparable, or equivalent to California Civil Code §1542. Lead Plaintiffs, Class Members, and any

Released Person may hereafter discover facts in addition to or different from those which he, she or it now knows or believes to be true with respect to the subject matter of the Released Claims and the claims released by the Released Persons, but Lead Plaintiffs and the Settling Defendant shall expressly, and each Class Member and Released Person, upon the Effective Date, shall be deemed to have, and by operation of the Judgment shall have, fully, finally, and forever settled and released any and all Released Claims, or the claims released by the Released Persons, as the case may be, 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 that is negligent, reckless, intentional, with or without malice, or a breach of any duty, law, or rule, without regard to the subsequent discovery or existence of such different or additional facts, whether or not previously or currently asserted in any action. Lead Plaintiffs and Settling Defendant acknowledge, and the Class Members and Released Persons shall be deemed by operation of the Judgment to have acknowledged, that the foregoing waiver was separately bargained for and an essential term of the Settlement of which this release is a part.

2. The Settlement

a. The Settlement Fund

2.1 The Settling Defendant shall cause the Settlement Amount to be transferred to an account controlled by the Escrow Agent within ten (10) business days after the entry of an order granting preliminary approval of the Settlement. After the Effective Date and upon the request of Lead Counsel, the Net Settlement Fund shall be released to the Claims Administrator for distribution to Authorized Claimants. If the Effective Date does not occur pursuant to ¶ 7.1, or if the Settlement

is terminated, the Escrow Agent shall not release any part of the Net Settlement Fund to the Claims Administrator.

b. The Escrow Agent

2.2 The Escrow Agent shall place the Settlement Fund deposited pursuant to ¶ 2.1 in an interest bearing money market account at BNY Mellon and shall reinvest the proceeds into such account. All costs and risks related to the investment of the Settlement Fund in accordance with the guidelines set forth in this paragraph shall be borne by the Settlement Fund and the Released Persons shall have no responsibility for, interest in, or liability whatsoever with respect to investment decisions or the actions of the Escrow Agent, or any transactions executed by the Escrow Agent.

2.3 The Escrow Agent shall not disburse the Settlement Fund except (a) by an order of the Court, or (b) with the written agreement of counsel for the Settling Parties, and any such disbursement must be consistent with the terms of this Stipulation.

2.4 Subject to further order(s) and/or directions as may be made by the Court, or as provided in this Stipulation, the Escrow Agent is authorized to execute such transactions as are consistent with the terms of this Stipulation. The Released Persons shall have no responsibility for, interest in, or liability whatsoever with respect to, the actions of the Escrow Agent, or any transaction executed by the Escrow Agent.

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

2.6 Prior to the Effective Date, Lead Counsel, without further approval of Settling Defendant or the Court, may pay from the Settlement Fund up to \$150,000.00 towards a Class Notice and Administration Fund, as defined in and provided for in the Escrow Agency Agreement,

to cover reasonable and necessary notice and administration costs and fees associated with providing notice to the Class and the administration of the Settlement, including, without limitation, the costs and fees connected with: identifying and locating members of the Class; mailing the Notice and Proof of Claim and Release and publishing the Summary Notice (such amounts shall include the actual costs of publication, printing and mailing the Notice, and reimbursement to nominee owners for forwarding notice to their beneficial owners); soliciting Class claims; assisting with the filing of claims; administering and distributing the Net Settlement Fund to Authorized Claimants; processing Proof of Claim and Release forms; and paying escrow fees and costs, if any (“Class Notice and Administration Costs”). Payment of any Class Notice and Administration Costs exceeding \$150,000.00 shall require notice to, and agreement from, the Settling Defendant, through the Settling Defendant’s counsel, which agreement shall not be unreasonably refused. Upon completion of the Escrow Agent’s services under this Agreement, KPMG HK shall remit to the Class Notice and Administration Fund an amount equal to half of the total escrow fees incurred and paid to the Escrow Agent from the Class Notice and Administration Fund.

c. Taxes

Qualified Settlement Fund

2.7 (a) The Settling Parties and Escrow Agent agree to treat the Settlement Fund as being at all times a “Qualified Settlement Fund” within the meaning of Treasury Regulation §1.468B-1. In addition, KPMG HK and Robbins Geller shall timely make such elections as necessary or advisable to carry out the provisions of this ¶ 2.7, including the “relation-back election” (as defined in Treasury Regulation §1.468B-1) back to the earliest permitted date. Such elections shall be made in compliance with the procedures and requirements contained in such regulations. It shall be the responsibility of Robbins Geller to timely and properly prepare and deliver, or cause to

be prepared and delivered, the necessary documentation for signature by all necessary parties, and thereafter to cause the appropriate filing to occur. The parties intend and agree that the Escrow Account shall be the sole and exclusive “Qualified Settlement Fund” (within the meaning of Section 1.468B of the Code) with respect to the Settlement, to the complete and whole exclusion of any other fund, trust, or account in which all or a portion of the Settlement Fund may have been deposited or shall be deposited. Robbins Geller shall provide BNY Mellon with the TIN of the Qualified Settlement Fund on an IRS form W-9 and shall direct BNY Mellon to assign such TIN to the Escrow Account and to report interest earned under such TIN.

(b) For the purposes of § 468B of the Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder, the sole and exclusive “administrator” of the Escrow Account shall be Robbins Geller. Robbins Geller shall timely and properly file, or cause to be filed, all informational and other tax returns necessary or advisable with respect to the Settlement Fund (including, without limitation, the returns described in Treasury Regulation §1.468B-2(k)). Robbins Geller shall bear sole and exclusive responsibility for all tax withholding and reporting obligations arising out of the Escrow Account, including without limitation all tax withholding and reporting obligations associated with any and all payments out of the Escrow Account. Such returns (as well as the election described in ¶ 2.7(a) hereof) shall be consistent with this ¶ 2.7 and in all events shall reflect that all Taxes (including any estimated Taxes, interest, or penalties) on the income earned by the Settlement Fund shall be paid out of the Settlement Fund as provided in ¶ 2.7(c) hereof.

(c) All (a) Taxes (including any estimated Taxes, interest, or penalties) arising with respect to the income earned by the Settlement Fund, including any Taxes or tax detriments that may be imposed upon the Released Persons or their counsel with respect to any income earned by

the Settlement Fund for any period during which the Settlement Fund does not qualify as a “Qualified Settlement Fund” for federal or state income tax purposes (“Taxes”), and (b) expenses and costs incurred in connection with the operation and implementation of this ¶ 2.7 (including, without limitation, expenses of tax attorneys and/or accountants and mailing and distribution costs and expenses relating to filing (or failing to file) the returns described in this ¶ 2.7) (“Tax Expenses”), shall be paid out of the Settlement Fund; in all events the Released Persons and their counsel shall have no liability or responsibility for the Taxes or the Tax Expenses. Robbins Geller shall have sole and exclusive responsibility and liability for the payment of Taxes from the Escrow Account or the payment of Tax Expenses from the Escrow Account, any tax withholding obligations, or the preparation or filing of any tax returns, information returns, or other documents; provided, however, that in the event that any Taxes or Tax Expenses become payable prior to any disbursement made pursuant to the Settlement Agreement, Morgan Lewis shall provide Robbins Geller with such signature(s) or other cooperation as may be necessary to authorize the payment of such Taxes or Tax Expenses from the Escrow Account. Further, Taxes and Tax Expenses shall be treated as, and considered to be, a cost of administration of the Settlement Fund and shall be timely paid by Robbins Geller out of the Settlement Fund without prior order from the Court or approval of Settling Defendant, and Robbins Geller shall be obligated (notwithstanding anything herein to the contrary) to withhold from distribution to Authorized Claimants any funds necessary to pay such amounts, including the establishment of adequate reserves for any Taxes and Tax Expenses (as well as any amounts that may be required to be withheld under Treasury Regulation §1.468B-2(1)(2)); neither the Released Persons nor their counsel are responsible nor shall they have any liability for performing such withholding or establishing such reserves. The Settling Parties hereto agree to

cooperate with the Escrow Agent, each other, and their tax attorneys and accountants to the extent reasonably necessary to carry out the provisions of this ¶ 2.7.

2.8 In the event the Settlement: (i) is not approved; (ii) is terminated, canceled, or fails to become effective for any reason, including, without limitation, in the event the Judgment is reversed or vacated following any appeal taken therefrom; or (iii) is successfully collaterally attacked, then the Settlement Fund (including any Court-awarded attorneys' fees and expenses) plus accrued interest thereon, less expenses actually and properly incurred or disbursed for Class Notice and Administration Costs, Taxes or Tax Expenses pursuant to ¶ 2.7, shall be fully refunded pursuant to written instructions from the Settling Defendant's counsel.

3. Notice Order and Settlement Hearing

3.1 Promptly after execution of this Stipulation, the Settling Parties shall submit this Stipulation together with its exhibits (the "Exhibits") to the Court and shall apply for entry of an order (the "Notice Order"), in the form of Exhibit A attached hereto, requesting, *inter alia*, the preliminary approval of the Settlement set forth in this Stipulation, certification of the Class for settlement purposes, and approval of the mailing of the Notice and publication of the Summary Notice, in the forms of Exhibits A-1 and A-3 attached hereto. The Notice shall include the general terms of the Settlement set forth in this Stipulation, the proposed Plan of Distribution, the general terms of the Fee and Expense Application, and the date of a hearing to approve the settlement (the "Settlement Hearing").

3.2 Lead Counsel shall request that after the Notice is mailed to the Class, the Court hold the Settlement Hearing and approve the Settlement of the Action as set forth herein. At or after the Settlement Hearing, Lead Counsel also shall request that the Court approve the proposed Plan of Distribution and the Fee and Expense Application.

4. Releases

4.1 Upon the Effective Date, Lead Plaintiffs and each of the Class Members and their predecessors, successors, agents, representatives, attorneys, and affiliates, and the heirs, executors, administrators, successors, and assigns of each of them, in their capacity as such, shall be deemed to have, and by operation of the Judgment shall have, fully, finally, and forever waived, released, relinquished, and discharged the Released Persons, any and all Released Claims, as well as any claims arising out of, relating to, or in connection with, the defense, settlement, or resolution of the Action or the Released Claims against the Released Persons, Lead Plaintiffs and Plaintiffs' Counsel, except for claims relating to the enforcement of the Settlement.

4.2 Upon the Effective Date, Lead Plaintiffs and each of the Class Members shall be permanently barred and enjoined from the assertion, institution, maintenance, prosecution, or enforcement against any Released Person, in any state or federal court or arbitral forum, or in the court of any foreign jurisdiction, of any and all Released Claims, as well as any claims arising out of, relating to, or in connection with, the defense, settlement, or resolution of the Action or the Released Claims against the Released Persons, Lead Plaintiffs and/or Plaintiffs' Counsel, except for claims relating to the enforcement of the Settlement.

4.3 The Proof of Claim and Release to be executed by Class Members shall release all Released Claims against the Released Persons and shall be substantially in the form contained in Exhibit A-2 attached hereto.

4.4 Upon the Effective Date, each of the Released Persons shall be deemed to have, and by operation of the Judgment shall have, fully, finally, and forever released, relinquished, and discharged Lead Plaintiffs, each and all of the Class Members, and counsel for any plaintiff in the Action, including Lead Counsel, from all claims (including, without limitation, Unknown Claims)

arising out of, relating to, or in connection with, the institution, prosecution, assertion, settlement, or resolution of the Action or the Released Claims, except for claims relating to the enforcement of the Settlement.

5. Administration and Calculation of Claims, Final Awards, and Supervision and Distribution of the Settlement Fund

5.1 The Claims Administrator, subject to such supervision and direction of the Court as may be necessary or as circumstances may require, shall provide notice of the Settlement to the Class, shall administer and calculate the claims submitted by Class Members, and shall oversee distribution of the Net Settlement Fund to Authorized Claimants.

5.2 The Settlement Fund shall be applied as follows:

- (a) to pay all Class Notice and Administration Costs incurred or disbursed;
- (b) to pay Plaintiffs' Counsel's attorneys' fees, costs and expenses, if and to the extent allowed by the Court (the "Fee and Expense Award");
- (c) to pay the Taxes and Tax Expenses described in ¶ 2.7 hereof; and
- (d) to distribute the Net Settlement Fund to Authorized Claimants as allowed by this Stipulation, the Plan of Distribution, or the Court.

5.3 Upon the Effective Date and thereafter, and in accordance with the terms of this Stipulation (including ¶ 2.1 above), the Plan of Distribution, or such further approval and further order(s) of the Court as may be necessary or as circumstances may require, the Net Settlement Fund shall be distributed to Authorized Claimants, subject to and in accordance with the following provisions.

5.4 Each Person claiming to be an Authorized Claimant shall be required to submit to the Claims Administrator a completed Proof of Claim and Release, substantially in the form of Exhibit A-2 attached hereto, postmarked or submitted electronically by no later than ninety (90) calendar

days after the Notice Date (as defined in Exhibit A attached hereto), or such other time as may be set by the Court (the “Bar Date”), signed under penalty of perjury and supported by such documents as are specified in the Proof of Claim and Release and as are reasonably available to such Person.

5.5 Except as otherwise ordered by the Court, all Class Members who fail to submit a Proof of Claim and Release by the Bar Date, or such other period as may be ordered by the Court, or who submit a Proof of Claim and Release that is rejected, shall be forever barred from receiving any payments pursuant to this Stipulation and the Settlement set forth herein, but will in all other respects be subject to and bound by the provisions of this Stipulation, the releases contained herein, and the Judgment. Notwithstanding the foregoing, Lead Counsel may, in their discretion, accept for processing late-submitted claims so long as the distribution of the Net Settlement Fund to Authorized Claimants is not materially delayed. Lead Counsel shall have no liability for declining to accept any such late-submitted claims.

5.6 The Claims Administrator shall calculate the claims of Authorized Claimants in accordance with the Plan of Distribution. Following the Effective Date, the Claims Administrator shall send to each Authorized Claimant his, her, or its *pro rata* share of the Net Settlement Fund. No distributions will be made to Authorized Claimants who would otherwise receive a distribution of less than \$5.00.

5.7 The Settling Defendant shall not have a reversionary interest in the Net Settlement Fund. If there is any balance remaining in the Net Settlement Fund after at least six (6) months from the date of the initial distribution of the Net Settlement Fund, Lead Counsel shall, if feasible, distribute on a *pro rata* basis such balance among Authorized Claimants who negotiated the checks sent to them in the initial distribution and who would otherwise receive a minimum of \$5.00. These redistributions shall be repeated until the balance remaining in the Net Settlement Fund is *de minimis*

and such remaining balance shall then be donated to an Internal Revenue Code Section 501(c)(3) charity designated by Lead Counsel and unaffiliated with KPMG HK, Lead Plaintiff, or Lead Counsel. The residual funds will be subject to the Court's approval at the time that the amount is known and ready for disbursement.

5.8 The Released Persons shall have no responsibility for, interest in, or liability whatsoever with respect to the distribution of the Net Settlement Fund, the Plan of Distribution, the determination, administration, or calculation of claims, the payment or withholding of Taxes, or any losses incurred in connection therewith.

5.9 The Settling Defendant shall take no position with respect to the Plan of Distribution or any other such plan as may be approved by the Court.

5.10 It is understood and agreed by the Settling Parties that any proposed Plan of Distribution of the Net Settlement Fund, including, but not limited to, any adjustments to an Authorized Claimant's claim set forth therein, is not a part of this Stipulation and is to be considered by the Court separately from the Court's consideration of the fairness, reasonableness, and adequacy of the Settlement set forth in this Stipulation, and any order or proceeding relating to the Plan of Distribution shall not operate to terminate or cancel this Stipulation or affect the finality of the Court's Judgment approving this Stipulation and the Settlement set forth therein, or any other orders entered pursuant to this Stipulation. Class Members and the Settling Defendant shall be bound by the terms of this Stipulation, irrespective of whether the Court disapproves or modifies the Plan of Distribution. The time to appeal from approval of the Settlement shall commence upon the Court's entry of the Judgment regardless of whether a Plan of Distribution has been approved.

5.11 No Person shall have any claim against Lead Plaintiffs, Plaintiffs' Counsel, Released Persons, the Settling Defendant's counsel, or the Claims Administrator based on distributions made

substantially in accordance with the Settlement, this Stipulation, and the Plan of Distribution, or otherwise as further ordered by the Court.

6. Lead Counsel's Attorneys' Fees, Costs, Charges and Expenses

6.1 Lead Counsel may submit an application or applications (the "Fee and Expense Application") for distributions from the Settlement Fund for: (a) an award of attorneys' fees to be paid out of the Settlement Fund plus (b) costs, charges and expenses in connection with prosecuting the Action, plus interest on both amounts. Any and all such fees, expenses, charges and costs awarded by the Court shall be payable solely out of the Settlement Fund.

6.2 The attorneys' fees, expenses, charges and costs, as awarded by the Court, shall be paid to Lead Counsel from the Settlement Fund, as ordered, after the Effective Date and at the same time as the Net Settlement Fund is distributed to Authorized Claimants. Lead Counsel shall thereafter allocate the attorneys' fees amongst Plaintiffs' Counsel in a manner that Lead Counsel in good faith believes reflects the contributions of such counsel to the prosecution and settlement of the Action. Any such awards shall be paid solely from the Settlement Fund. In the event that the order awarding such fees and expenses paid to Lead Counsel pursuant to ¶ 6.1 is reversed or modified by final non-appealable order, then Lead Counsel shall remit such amounts to the Escrow Account consistent with such reversal or modification, plus interest earned thereon at the same rate as earned on the Escrow Account, within ten (10) business days from receiving notice from Settling Defendant's counsel or from a court of competent jurisdiction. Lead Counsel shall promptly notify other Plaintiffs' Counsel of any remittances required pursuant to this paragraph, and any such remittances shall be the joint and several obligation of Plaintiffs' Counsel. Each Plaintiffs' Counsel, as a condition of receiving such fees and/or expenses on behalf of itself and each partner and/or

shareholder of it, agrees that its law firm and its partners and/or shareholders are subject to the jurisdiction by the Court for the purpose of enforcing the provisions of this paragraph.

6.3 The procedure for and the allowance or disallowance by the Court of the Fee and Expense Application, to be paid out of the Settlement Fund, are not part of the Settlement, and any order or proceeding relating to the Fee and Expense Application, to ¶ 6.2 above, or to the allocation of any fees and expenses awarded among Lead Counsel and Plaintiffs' counsel, or to any appeal from any order relating thereto or reversal or modification thereof, shall not operate to terminate or cancel the Settlement, or affect or delay the finality of the Judgment approving this Stipulation and the Settlement of the Action.

6.4 Any fees and expenses awarded by the Court shall be paid solely from the Settlement Fund. The Settling Defendant shall not have any responsibility for any payment of attorneys' fees and expenses to Lead Counsel or any Class Member's counsel apart from payment of the Settlement Fund pursuant to ¶ 2.1.

6.5 Released Persons shall have no responsibility for the allocation among Plaintiffs' Counsel and/or any other Person who may assert some claim thereto, of any Fee and Expense Award that the Court may make in the Action.

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

7.1 The Effective Date of this Stipulation shall be conditioned on the occurrence of all of the following events:

- (a) execution of this Stipulation and such other documents as may be required to obtain final Court approval of this Stipulation in a form satisfactory to the Settling Parties;
- (b) the Settlement Amount has been deposited into the Escrow Account;

(c) the Settling Defendant has not exercised its option to terminate this Stipulation pursuant to ¶ 7.3 hereof;

(d) the Court has entered the Notice Order, substantially in the form of Exhibit A hereto, as required by ¶ 3.1 hereof;

(e) in accordance with 15 U.S.C. §78u-4(f)(7)(A), any and all claims for contribution and indemnification are hereby permanently barred and discharged if such claim or claims: (a) arise out of, relate to, or are in connection with the Action or any Released Claims; and (b) are filed by any Person against the Settling Defendant, or filed by the Settling Defendant against any Person; and

(f) the Judgment has been entered and has become Final, as defined in ¶¶ 1.9 and 1.10 hereof.

7.2 Upon the occurrence of the Effective Date, the Settling Defendant, and any other such other persons or entities funding the Settlement on the Settling Defendant's behalf, shall not have any right to the return of the Settlement Fund or any portion thereof for any reason. Upon the occurrence of all of the events referenced in ¶ 7.1 hereof, any and all remaining interest or right of the Settling Defendant, if any, in or to the Settlement Fund shall be absolutely and forever extinguished. If any of the conditions specified in ¶ 7.1 hereof is not met, then this Stipulation shall be canceled and terminated and the provisions in ¶¶ 7.4 and 7.5 hereof shall apply, unless Lead Counsel and counsel for the Settling Defendant mutually agree in writing to proceed with the Settlement.

7.3 If, prior to the Settlement Hearing, Persons who otherwise would be members of the Class have timely requested exclusion from the Class in accordance with the provisions of the Notice Order and the Notice given pursuant thereto, and such Persons in the aggregate purchased more than

a specified number of shares of ShengdaTech common stock during the Class Period as set forth in a separate agreement (the “Supplemental Agreement”) executed between Lead Counsel and Settling Defendant’s Counsel, the Settling Defendant shall have the sole option to terminate this Stipulation. The Supplemental Agreement will not be filed with the Court unless requested by the Court or unless a dispute arises among the Settling Parties concerning its interpretation or application and, in that event, the Settling Parties will use their best reasonable efforts to file the Supplemental Agreement for the Court’s *in camera* review and/or under seal.

7.4 In the event this Stipulation shall terminate, shall be canceled, or shall not become effective for any reason, within ten (10) business days after written notification of such event is sent by counsel for the Settling Defendant or Lead Counsel to the Escrow Agent, the Settlement Fund (including any Court-awarded attorneys’ fees and expenses) plus accrued interest thereon, less Class Notice and Administration Costs, Taxes, and Tax Expenses that have either been incurred or disbursed pursuant to ¶¶ 2.7 hereof, shall be fully refunded to the Settling Defendant pursuant to written instructions from the Settling Defendant’s counsel. At the request of counsel for the Settling Defendant, Robbins Geller or its designee shall apply for any tax refund owed on the Settlement Fund and pay the proceeds, after deduction of any expenses incurred in connection with such application(s) for refund, at the written direction of the Settling Defendant’s counsel.

7.5 In the event that this Stipulation is not approved by the Court or the Settlement set forth in this Stipulation is cancelled or terminated or fails to become effective for any reason, the Settling Parties shall not forfeit or waive any factual or legal defense or contention in the Action and shall be restored to their respective positions in the Action as of September 9, 2014. In such event, the terms and provisions of this Stipulation, with the exception of ¶¶ 1.1-1.26, 2.6-2.8, 5.11, 6.2, 6.5, 7.4-7.5, 8.13, and 8.2-8.5 hereof, shall have no further force and effect with respect to the Settling

Parties and shall not be used in this Action or in any other proceeding for any purpose, and any Judgment or order entered by the Court in accordance with the terms of this Stipulation shall be treated as vacated, *nunc pro tunc*, and the Settling Parties shall be deemed to return to their status as of September 9, 2014, and shall be required to present an amended schedule to the Court. No order of the Court or modification or reversal on appeal of any such order of the Court concerning solely the Plan of Distribution or the amount of any attorneys' fees, costs, and expenses, and interest awarded by the Court to Lead Counsel shall constitute grounds for cancellation or termination of this Stipulation.

7.6 Lead Plaintiffs shall have the right, but not the obligation, to terminate the Settlement fifteen (15) calendar days after the failure of the Settling Defendant to timely pay the Settlement Amount pursuant to 2.1 hereof.

8. Miscellaneous Provisions

8.1 The Settling Parties (a) acknowledge that it is their intent to consummate this Stipulation; and (b) agree to cooperate to the extent reasonably necessary to effectuate and implement all terms and conditions of this Stipulation and to exercise their best efforts to accomplish the foregoing terms and conditions of this Stipulation expeditiously.

8.2 The Settling Parties intend this Settlement to be a final and complete resolution of all disputes between them with respect to the Action. The Settlement and all negotiations, discussions, and proceedings leading up to and in connection herewith shall not be deemed to constitute a presumption, concession, or an admission by any Settling Party or any of the Released Persons of any fault, liability, or wrongdoing by it, or as to the merits of any claim or defense. The Settling Parties and their counsel agree that each has complied fully with the strictures of Rule 11 of the Federal Rules of Civil Procedure ("Rule 11") and that they shall not assert any claims of any

violation of Rule 11 relating to the prosecution, defense or settlement of the Action, and the Judgment shall contain a finding that all Settling Parties and their counsel complied with the requirements of Rule 11 with respect to the institution, prosecution, defense, and resolution of the Action. The Settling Parties agree that the amount paid to the Settlement Fund and the other terms of the Settlement were negotiated in good faith at arm's length by the Settling Parties and reflect a settlement that was reached voluntarily after consultation with competent legal counsel. Except as required by law, neither the Settling Parties nor their counsel shall make public announcements or disclosures, including press releases, press interviews and similar media events, in any way discussing the merits of the Action and this Settlement Agreement.

8.3 Neither this Stipulation nor the Settlement contained herein, nor any negotiations, discussions, proceedings or act performed or document executed pursuant to or in furtherance of this Stipulation or the Settlement may be offered or received in evidence, or otherwise used by any Person in the Action, or in any other action or proceedings, whether civil, criminal, or administrative, in any court, administrative agency, or other tribunal, except in connection with any proceeding to enforce the terms of this Stipulation. The Released Persons, Lead Plaintiffs, Class Members and Plaintiffs' Counsel may file this Stipulation or the Judgment in any action that may be brought against them in order to support a defense or counterclaim based on principles of *res judicata*, collateral estoppel, release, good faith settlement, judgment bar or reduction or any other theory of claim preclusion or issue preclusion or similar defense or counterclaim.

8.4 All agreements made and orders entered during the course of the Action relating to the confidentiality of documents and information shall survive this Stipulation.

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

8.6 This Stipulation may be amended or modified only by a written instrument signed by or on behalf of all Settling Parties or their respective successors-in-interest.

8.7 No waiver of any term or provision of this Settlement Agreement, or of any breach or default hereof or hereunder, shall be valid or effective unless in writing and signed by or on behalf of all Settling Parties or their respective successors-in-interest. No waiver of any term or provision of this Settlement Agreement, or of any breach or default hereof or hereunder, shall be construed as a waiver of the same or any other term or provision or of any previous or subsequent breach thereof.

8.8 This Stipulation and the Exhibits attached hereto constitute the entire agreement among the Settling Parties and no representations, warranties, or inducements have been made to any Settling Party concerning this Stipulation or its Exhibits other than the representations, warranties, and covenants contained and memorialized in such documents. Except as otherwise provided herein, each Settling Party shall bear its own costs.

8.9 This Settlement Agreement shall be construed and interpreted to effectuate the intent of the Settling Parties, which is to resolve completely those claims and disputes, including in the Action, and as more fully described herein. If any provision of this Settlement Agreement shall be determined to be invalid, void, or illegal, such provision shall be construed and amended in a manner that would permit its enforcement, but in no event shall such provision affect, impair, or invalidate any other provision hereof.

8.10 Neither the Class Members nor the Settling Defendant shall be bound by this Stipulation if the Court modifies material terms thereof, provided, however, that it shall not be a basis for Class Members to terminate the Settlement if the Court modifies any proposed Plan of Distribution or criteria for allocation of the Net Settlement Fund amongst Class Members, or the Plan of Distribution is modified on appeal. Nor shall it be a basis to terminate this Stipulation if the

Court disapproves of or modifies the terms of this Stipulation with respect to attorneys' fees or expenses or the distribution of the Net Settlement Fund. Notwithstanding any such modification of the terms or Plan of Distribution or this Stipulation with respect to attorneys' fees or expenses, the Settling Defendant shall be entitled to all benefits of the Settlement, which shall remain valid and enforceable, and the Settling Defendant shall not, under any circumstances, be called upon to contribute additional funds to the Settlement Fund.

8.11 Lead Counsel, on behalf of the Class, are expressly authorized by Lead Plaintiffs to take all appropriate action required or permitted to be taken by the Class pursuant to this Stipulation to effectuate its terms and also are expressly authorized to enter into any modifications or amendments to this Stipulation on behalf of the Class which they deem appropriate.

8.12 Each counsel or other Person executing this Stipulation or any of its Exhibits on behalf of any Settling Party hereby warrants that such Person has the full authority to do so.

8.13 All notices, requests, demands, claims, and other communications hereunder shall be in writing and shall be deemed duly given when both: (i) delivered via electronic mail to the addresses below, and (ii) delivered personally to the recipient (a) one (1) business day after being sent to the recipient by reputable overnight courier service (charges prepaid), or (b) five (5) business days after being mailed to the recipient by certified or registered mail, return receipt requested and postage prepaid, and addressed to the intended recipient as set forth below:

If to Lead Plaintiffs or to Lead Counsel:

Jeffrey D. Light
JeffL@rgrdlaw.com
Mario Alba Jr.
Malba@rgrdlaw.com
ROBBINS GELLER RUDMAN & DOWD LLP
655 West Broadway, Suite 1900
San Diego, CA 92101

If to Defendant or to Defendant's counsel:

Jeffrey Q. Smith
Jeffrey.Smith@morganlewis.com
Ari M. Selman
Ari.selman@morganlewis.com
MORGAN, LEWIS & BOCKIUS LLP
101 Park Avenue
New York, NY 10178

8.14 This Stipulation may be executed in one or more counterparts. All executed counterparts and each of them shall be deemed to be one and the same instrument. A complete set of executed counterparts shall be filed with the Court. Signatures sent by facsimile or PDF via e-mail shall be deemed originals.

8.15 This Stipulation shall be binding upon, and inure to the benefit of, the heirs, successors, and assigns of the Settling Parties hereto.

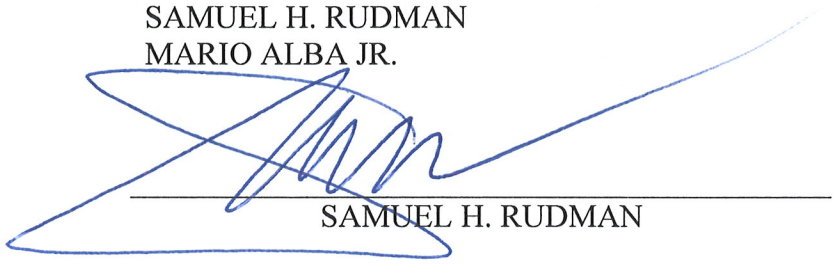
8.16 The Court shall retain jurisdiction with respect to implementation and enforcement of the terms of this Stipulation, and all Settling Parties hereto submit to the jurisdiction of the Court for purposes of implementing and enforcing the Settlement embodied in this Stipulation.

8.17 Pending approval of the Court of this Stipulation and its Exhibits, all proceedings in this Action shall be stayed and all members of the Class shall be barred and enjoined from prosecuting any of the Released Claims against any of the Released Persons.

8.18 This Stipulation and the Exhibits hereto shall be considered to have been negotiated, executed, and delivered, and to be wholly performed, in the State of New York, and the rights and obligations of the parties to this Stipulation shall be construed and enforced in accordance with, and governed by, the internal, substantive laws of the State of New York, without giving effect to that State's choice-of-law principles.

IN WITNESS WHEREOF, the parties hereto have caused this Stipulation to be executed, by their duly authorized attorneys, dated June 10, 2015.

ROBBINS GELLER RUDMAN
& DOWD LLP
SAMUEL H. RUDMAN
MARIO ALBA JR.



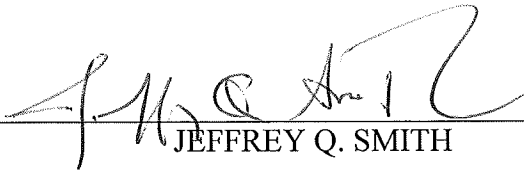
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