

**IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF DELAWARE**

**IN RE ADAMS GOLF, INC. SECURITIES
LITIGATION,**

**CONSOLIDATED
C.A. No. 99-371-GMS**

ORDER AND FINAL JUDGMENT

All capitalized terms used herein have the meanings set forth in the Stipulation of Settlement.

On, June 17, 2010, following Notice to all parties and Notice to the Class Members as described herein, a Final Hearing was held before this Court to consider: (1) Lead Plaintiffs' Motion for Final Approval of Class Action Settlement and Plan of Allocation (the "Settlement Approval Motion"); (2) the motion for an Award of Fees and Costs to Plaintiffs' Counsel and the motion for the payment of Plaintiffs' reasonable, out-of-pocket expenses ("Fees and Costs Application"); and (3) Objections filed by Class Members, if any.

1. Pursuant to those Motions, the Court must:

a. determine whether the terms and conditions of the Stipulation of Settlement dated December 9, 2009 are fair, reasonable and adequate for the settlement of all claims asserted by Lead Plaintiffs and the Class in the Second Consolidated and Amended Class Action Complaint in this Action ("Complaint"), including the release of Plaintiffs, Class Members and Defendants, and should be approved;

b. determine whether judgment should be entered dismissing the Complaint on the merits and with prejudice in favor of the Defendants and as against all persons or entities who are Members of the Class herein who have not requested exclusion therefrom;

- c. determine whether to approve the Plan of Allocation as a fair and reasonable method to allocate the Net Settlement Fund among the Authorized Claimants;
- d. determine whether and in what amount to approve the Fees and Costs Application; and
- e. determine whether Class Members' Objections, if any, have merit.

2. The Court has considered all matters submitted to it at the hearing and otherwise. It appears that a Notice of the hearing substantially in the form approved by the Court was mailed to all persons or entities reasonably identifiable, who suffered damage as a result of their purchase of Adams Golf Inc. ("Adams Golf") shares in the IPO or during the Class Period, and that a Summary Notice of the hearing substantially in the form approved by the Court was published in *The Wall Street Journal* pursuant to the specifications of the Court and was also disseminated over the *PR Newswire*. The Court has considered and determined the fairness and reasonableness of the Settlement, the Plan of Allocation, the Fees and Costs Application, and has considered all Objections of Class Members. The Court has received a final non-appealable order from the United States Bankruptcy Court for the Southern District of New York in the respective Chapter 11 cases and/or SIPA proceedings approving Lehman Brothers Holdings Inc.'s ("LBHI") and Lehman Brothers, Inc.'s ("LBI"), entry into this Settlement, their release of any indemnification claims they may have with respect to the Action, and approving the Claim Disallowance.

NOW, THEREFORE, IT IS HEREBY ORDERED THAT:

3. The Court has jurisdiction over the subject matter of the Action, the Plaintiffs, all Class Members, and the Defendants.

4. The Court has previously certified a Class of all persons who bought Adams Golf common stock in or traceable to the IPO of Adams Golf or between July 10, 1998 and October 22, 1998, inclusive, and suffered damages thereby. Excluded from the Class are Defendants and members of their immediate families, any entity in which a Defendant has a controlling interest, and the heirs, successor and assigns of any excluded individual or entity. Also excluded from the Class are all persons whose names appear on the attached Opt-Out List, who requested exclusion from the Class.

5. Pursuant to Fed. R. Civ. P. 23, Plaintiffs Todd Tonore, Kenneth Shockley, John Morrash and Patricia Craus, have been certified as Lead Plaintiffs.

6. The Parties have resolved the Action in good faith following arm's length bargaining, that also included LBI and LBHI, and with the assistance of Judge Nicholas Politan serving as mediator.

7. Notice of the proposed Settlement of class action and related matters, including Notice of the June 17, 2010 Final Hearing, was mailed to all Class Members who could be identified with reasonable effort. The form and method of notifying the Class of the terms and conditions of the proposed Settlement met the requirements of Rule 23 of the Federal Rules of Civil Procedure, the Securities Exchange Act of 1933, as amended by the Private Securities Litigation Reform Act of 1995, due process, and any other applicable law, constituted the best notice practicable under the circumstances, and constituted due and sufficient notice to all persons and entities entitled thereto.

8. A Final, Non-Appealable order of the Bankruptcy Court in the bankruptcy of LBI and LBHI in their respective Chapter 11 Cases and/or SIPA proceeding that approves the entry of LBI and LBHI into the Settlement, the release of any indemnification claims LBI, the LBI

Trustee and LBHI may have with respect to the Action, and the disallowance of any claims made against LBI and LBHI by Plaintiffs, Class Members, or the Class itself in the Bankruptcy proceedings, has become Final.

9. The Settlement is approved as fair, reasonable and adequate, and the Parties are directed to consummate the Settlement in accordance with the terms and provisions of the Stipulation of Settlement. There have been no objections of Class Members filed or submitted with respect to the Settlement, attorney's fees or expenses, or expenses for Lead Plaintiffs.

10. The Complaint is hereby dismissed with prejudice and without costs, except as provided in the Stipulation of Settlement.

11. On the Effective Date, the Plaintiffs and each Class Member, on behalf of themselves, their successors and assigns, and any other person claiming (now or in the future) through or on behalf of them, and, in addition, Defendants, on behalf of themselves, their successors and assigns, and any other person claiming (now or in the future) through or on behalf of Defendants: (i) fully, finally and forever release, relinquish, remise and discharge the Released Parties from all claims, including, without limitation, Released Claims, arising out of or in connection with the institution, prosecution, or assertion of the Action and covenant not to threaten, demand, or sue the Released Parties or any of them regarding any action or proceeding of any nature with respect to the Released Claims, and (ii) are forever enjoined and barred from asserting the Released Claims against the Released Parties or any of them in any action or proceeding of any nature. With respect to Plaintiffs and Class members, the foregoing applies regardless of whether any such Plaintiffs and/or Class Members ever seek or obtain any distribution from the Net Settlement Fund; whether such Plaintiffs and/or Class Members executed and delivered a Proof of Claim; whether such Plaintiffs and/or Class Members filed an

objection to the Settlement or to their claim being rejected as provided in the Stipulation of Settlement, the proposed Plan of Allocation, any application by Plaintiffs' Counsel for an award of Attorney's Fees and Costs, and any Plaintiff Expense Request; and whether the claims of such Plaintiffs or Class Members have been approved or allowed or such objection has been overruled by the Court.

12. In accordance with the Private Securities Litigation Reform Act of 1995, 15 U.S.C. § 77k(f)(2)(A) and 15 U.S.C. §77z-1 ("PSLRA"), and other statutory or common law rights, the Released Parties, and each of them, are hereby fully, finally and forever released and discharged from all claims for contribution, indemnity or other federal or state law causes of action that have been brought or may be brought by any person based upon, relating to, arising out of, or in connection with the matters alleged in the Action.

13. The Underwriter Defendants including LBHI, LBI and the LBI Trustee and their counsel release any claim for indemnification against Adams Golf relating to the Action, on the Effective Date.

14. With respect to any and all Released Claims, the Settling Parties stipulate and agree that, upon the Effective Date, they shall be deemed to have, and by operation of the Final Order shall have, expressly waived the provisions, rights and benefits of any statute, rule or provision which prohibits the release of Unknown Claims, including 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.

15. A Settling Party may hereafter discover facts in addition to or different from those which he, she, it or they now know or believe to be true with respect to the subject matter of the

Released Claims, but the Settling Parties, upon the Effective Date, shall be deemed to have, and by operation of the Final Order 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 alleged to be negligent, 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. The Settling Parties shall be deemed by operation of the Final Order to have acknowledged that the foregoing waiver was separately bargained for and a key element of the Settlement of which this release is a part.

16. It is the intention of the Parties that these releases shall provide complete peace to the Parties related to the Action, except with respect to the Insurance Litigation, as explained in the Stipulation of Settlement.

17. Neither this Order and Final Judgment, the Stipulation of Settlement, nor any of its terms and provisions, or any of the negotiations or proceedings connected with it, nor any of the documents or statements referred to therein:

(a) is or may be deemed to be or may be used as an admission of, or evidence of, the validity of any Released Claim, or of any wrongdoing or liability of the Parties;

(b) is or may be deemed to be or may be used as an admission of, or evidence of, any fault or omission of the Parties in any civil, criminal or administrative proceeding in any court, administrative agency or other tribunal;

(c) shall constitute an adjudication or finding on the merits as to the claims of any Party and shall not be deemed to be, intended to be or construed as an admission of liability,

in any way on the part of any Party or any evidence of the truth of any fact alleged or the validity of any claims that have been or could be asserted in the Action. All Parties expressly deny any liability for any and all claims of any nature whatsoever; nor shall anything herein contained constitute an acknowledgment of fact, allegation or claim that has been or could have been made, nor shall any third party derive any benefit whatsoever from the statements made in the Stipulation of Settlement; nor

(d) shall be construed against Defendants as an admission or concession that the consideration to be given hereunder represents the amount which could be or would have been recovered after trial. Any Party or Class Member may file the Agreement and/or the Final Order in any action that may be brought against them in order to support a defense or counter claim 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.

18. The Plan of Allocation is approved as fair and reasonable, and Plaintiffs' Counsel and the Claims Administrator are directed to administer the Settlement in accordance with its terms and provisions. Any Objections to the Plan of Allocation filed by Class Members are overruled.

19. Plaintiffs' Counsel are hereby awarded One-Third (1/3) of the Settlement Fund in fees, which the Court finds to be fair and reasonable, and \$761,196.44 in reimbursement of expenses, which fees and expenses shall be paid to Plaintiffs' Lead Counsel from the Settlement Fund, with interest from the date(s) of deposit of the Settlement Amount in Huntington National Bank, to the date of payment at the same rate that the Settlement Fund earns. These amounts are to be paid pursuant to the procedure set forth in the Stipulation of Settlement after this Order and

any separate order awarding attorney's fees and costs is Final. The award of attorney's fees shall be allocated among Plaintiffs' Counsel in a fashion which, in the opinion and sole discretion of Plaintiffs' Lead Counsel, fairly compensates Plaintiffs' Counsel for their respective contributions to the prosecution of the Action.

20. Plaintiffs are hereby awarded reasonable costs and expenses, pursuant to 15 U.S.C. 77z(a)(4) as follows: Todd Tonore is awarded \$841.68; John Morrash is awarded \$19,950.57; and Patricia Craus is awarded \$1,552.50. Such amounts shall be paid from the Settlement Fund, at the time this order is Final, and any supplementary order awarding such expenses is Final.

21. The Court finds that all parties and their counsel have complied with each requirement of Rule 11 of the Federal Rules of Civil Procedure as to all proceedings herein. The Parties agree not to make any public statements that contradict this finding.

22. Within ten (10) business days after the Effective Date of this Settlement, Federal Insurance shall pay its portion of the Settlement Amount in cash to the Escrow Agent.

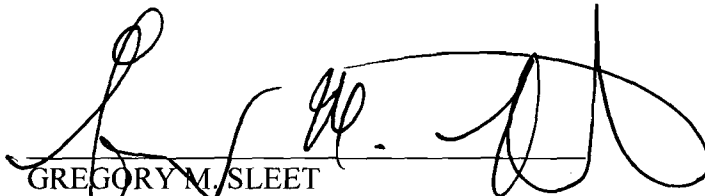
23. Exclusive jurisdiction is hereby retained over the administration, interpretation, effectuation or enforcement of the Stipulation of Settlement and this Order and Final Judgment, and including the Fees and Costs Application or any other application for fees and expenses incurred in connection with administering and distributing the settlement proceeds to the Class Members, and including any individual objections by Claimants to the rejection of their claim or to the Allocation of the Net Settlement Fund.

24. Without further order of the Court, the parties may agree to reasonable extensions of time to carry out any of the provisions of the Stipulation of Settlement.

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

Dated: Wilmington, Delaware

June 17, 2010



GREGORY M. SLEET
CHIEF JUDGE, UNITED STATES
DISTRICT COURT

Opt outs

1. John Masenelli, Las Vegas, NV
2. Fred Ivans, Boynton Beach, FL
3. Anne K. Matusik, Las Vegas, NV
4. Patrick J. Chimento, Springfield, OH
5. Hosam Hassan, Clinton Twp., MO