

and the attorneys for the respective Parties having been heard in support of the Stipulation and the settlement of the Action as between Lead Plaintiffs and the Defendants provided therein (the "Settlement"); and an opportunity to be heard having been given to all other persons desiring to be heard as provided in the notice; and the entire matter of the Settlement having been considered by the Court;

IT IS HEREBY ORDERED, ADJUDGED AND DECREED as follows:

1. The Court, for purposes of this Order and Final Judgment, adopts all defined terms as set forth in the Stipulation.

2. The Court has jurisdiction over the subject matter of the Action, the Lead Plaintiffs, the other members of the Class, and the Defendants.

3. The Notice of Proposed Settlement of Class Action, Motion for Attorneys' Fees and Reimbursement of Expenses and Settlement Fairness Hearing (the "Notice") has been given to the Class (as defined hereinafter), pursuant to and in the manner directed by the Preliminary Approval Order, proof of the mailing of the Notice was filed with the Court by Co-Lead Counsel, and full opportunity to be heard has been offered to all Parties, the Class, and persons in interest. The form and manner of the Notice is hereby determined to have been the best notice practicable under the circumstances and to have been given in full compliance with each of the requirements of FED. R. CIV. P. 23, and it is further determined that all members of the Class are bound by the Judgment herein.

4. Pursuant to FED. R. CIV. P. 23:

- a. The Court specifically finds that (i) the Class, as defined below, is so numerous that joinder of all members is impracticable, (ii) there are questions of law and fact common to the Class, (iii) the claims of the Lead Plaintiffs are typical of the claims of the Class, (iv) the

Lead Plaintiffs will fairly and adequately protect the interests of the Class;

- b. The Court finds that Lead Plaintiffs and Co-Lead Counsel have adequately represented the interests of the Class with respect to the Action and the claims asserted therein;
- c. The Court finds that the questions of law or fact common to the members of the Class predominate over any questions affecting only individual members, and that the class action is superior to other available methods for the fair and efficient adjudication of the controversy;
- d. This Action is hereby certified as a class action on behalf of all persons who purchased the common stock of Acclaim from October 14, 1999 through July 1, 2004, inclusive (the "Class"). Excluded from the Class are: Acclaim, the Individual Defendants, KPMG, the directors and officers of Acclaim and KPMG, at all relevant times, members of the Individual Defendants' immediate families, and the heirs, successors and assigns of the Defendants and Acclaim, and any entity in which Acclaim or any Defendant has or had a controlling interest. Also excluded from the Class are any putative Class Members who exclude themselves by filing a request for exclusion in accordance with the requirements set forth in the Notice.

5. The Settlement, and all transactions preparatory or incident thereto, are found to be fair, reasonable, adequate, and in the best interests of the Class, and it is hereby approved. The Parties to the Stipulation are hereby authorized and directed to comply with and to consummate the Settlement in accordance with its terms and provisions; and the Clerk of this Court is directed to enter and docket this Judgment in the Action.

6. This Judgment, the Stipulation and all negotiations, statements, and proceedings in connection herewith shall not, in any event, be construed or deemed to be evidence of an admission or concession on the part of the Lead Plaintiffs, any Defendant, Acclaim, any member of the Class, or any other person, of any liability or wrongdoing by

them, or any of them, and shall not be offered or received in evidence in any action or proceeding (except an action to enforce this Stipulation and settlement contemplated hereby), or be used in any way as an admission, concession, or evidence of any liability or wrongdoing of any nature, and shall not be construed as, or deemed to be evidence of, an admission or concession that Lead Plaintiffs, any member of the Class, any present or former stockholder of Acclaim, or any other person, has or has not suffered any damage.

7. Upon the Effective Date of this Settlement, Lead Plaintiffs and members of the Class on behalf of themselves and each of their heirs, executors, administrators, successors and assigns, and any persons they represent, shall, with respect to each and every Settled Claim, release and forever discharge, and shall forever be enjoined from prosecuting, any Settled Claims against any of the Released Parties.

8. Upon the Effective Date of this Settlement, each of the Defendants and Acclaim, on behalf of themselves and the Released Parties, shall release and forever discharge each and every of the Defendants' Claims, and shall forever be enjoined from prosecuting the Defendants' Claims.

9. "Released Parties" means Defendants and Acclaim, their past or present subsidiaries, divisions, joint ventures, affiliates, subdivisions, parents, successors, and predecessors, estates and assigns, executors and administrators, officers, directors, shareholders, agents, personal or legal representatives, trustees, partners, principals, employees, attorneys, insurers (including, but not limited to, National Union and Chubb), reinsurers, agents, advisors, investment advisors, auditors, accountants, and any person, firm, trust, corporation, officer, director or other individual or entity in which any Defendant or Acclaim has or had a controlling interest or which is related to or affiliated

with any of the Defendants or Acclaim, and the legal representatives, heirs, successors in interest or assigns of any of the Defendants or Acclaim.

10. “Settled Claims” shall collectively mean all claims (including “Unknown Claims” as defined below), demands, rights, liabilities, actions and causes of action, known or unknown, contingent or absolute, suspected or unsuspected, matured or unmatured, whether or not concealed or hidden, that have been or could have been asserted in the Action or in any court, tribunal or proceedings (including but not limited to any claims arising under federal or state law), by the Lead Plaintiffs or any Class Member against the Released Parties that arise out of, or relate in any manner to, the allegations, facts, events, transactions, acts, occurrences, statements, representations, misrepresentations, omissions or any other matter, thing or cause whatsoever, alleged or set forth in the Complaint and that are related to the purchase of Acclaim common stock during the Class Period. Settled Claims also include claims arising out of, relating to, or in connection with the settlement or resolution of the Action.

11. “Defendants’ Claims” means any and all claims, rights or causes of action or liabilities whatsoever, whether based on federal, state, local, statutory or common law or any other law, rule or regulation, including both known claims and unknown claims, that have been or could have been asserted in the Action or any forum by any Defendant or Acclaim, or the successors and assigns of any of them against any of the Plaintiffs, Class Members or their attorneys, which arise out of or relate in any way to the institution, prosecution, or settlement of the Action.

12. It is the intention of the Parties to extinguish all Settled Claims, and, consistent with such intention, the Class has waived its rights, to the extent permitted by

law, under Section 1542 of the California Civil Code, or any other similar state law, federal law, or principal of common law, which may have the effect of limiting the releases set forth in ¶¶7 and 8 above. The release ordered hereby extends to claims that the Lead Plaintiffs, the Class Members and the Released Parties do not know or suspect to exist as of the effective date of the Settlement as defined in the Stipulation which, if known, might have affected their decision regarding the releases contained in this Judgment. Lead Plaintiffs, the Class Members, and the Released Parties have acknowledged that they may discover facts in addition to or different from those that they now know or believe to be true with respect to the subject matter of the releases, but have stated that it is their intention to fully, finally, and forever settle and release any and all claims released hereby, known or unknown, suspected or unsuspected, which now exist, or heretofore existed, or may hereafter exist, and without regard to the subsequent discovery or existence of such additional or different facts.

13. The Plan of Allocation is approved as fair and reasonable, and Co-Lead Counsel and the Claims Administrator are directed to administer the Settlement in accordance with its terms and provisions.

14. The Court finds and concludes, pursuant to Section 27(c)(1) of the Securities Act of 1933 and Section 21D(c)(1) of the Securities Exchange Act of 1934, as amended by the PSLRA, 15 U.S.C. §§ 77z-1(c)(1), 78u-4(c)(1), that the Lead Plaintiffs, Co-Lead Counsel, Defendants, and Defendants' Counsel have complied with each requirement of Rule 11(b) of the Federal Rules of Civil Procedure as to any complaint, responsive pleading, or dispositive motion.

15. The Court finds that all persons within the definition of the Class have been adequately provided with an opportunity to remove themselves from the Settlement by executing and returning a “request for exclusion” in conformance with the terms of the Stipulation. All persons who have requested exclusion from this Settlement in the manner described in the Notice are not bound by this Judgment. All persons who have opted out of this Action are identified on Exhibit 1 hereto.

16. In the event that the Settlement fails to become effective in accordance with its terms, or if this Judgment is reversed, vacated, or materially modified on appeal (and, in the event of material modification, if any party elects to terminate the Settlement), this Judgment (except this Paragraph) shall be null and void, the Settlement, except for ¶¶8, 29, 33, and 35 of the Stipulation, shall be deemed terminated, and the Parties shall return to their pre-settlement positions as provided for in the Settlement, except that (1) any modifications, reversal, or vacation of the award of attorneys’ fees and expenses to Co-Lead Counsel on appeal or in any further motions in this Court shall in no way disturb or affect any other part of this Judgment, and (2) any further proceedings, whether in this Court or on appeal, related to the Plan of Allocation shall in no way disturb or affect any other part of this Judgment.

17. Only those Class Members filing valid and timely Proofs of Claim and Release shall be entitled to participate in the Settlement and receive a distribution from the Settlement Fund. The Proof of Claim and Release to be executed by the Class Members shall further release all Settled Claims against the Released Parties. All Class Members shall, as of the Effective Date, be bound by the releases set forth herein whether or not they submit a valid and timely Proof of Claim and Release.

18. In accordance with Section 21D-4(f)(7)(A) of the Private Securities Litigation Reform Act of 1995, 15 U.S.C. § 78u-4(f)(7)(A): (i) every Person is hereby permanently barred, enjoined, and restrained from commencing, prosecuting, or asserting any claim for contribution against any Released Parties based upon, relating to, or arising out of the Settled Claims, and (ii) the Released Parties are hereby permanently barred, enjoined, and restrained from commencing, prosecuting, or asserting any claim for contribution against any of the Persons based upon, relating to, or arising out of the Settled Claims. For purposes of the paragraph only, Persons shall include any person who Lead Plaintiffs may hereafter sue based upon, relating to, or arising out of the Settled Claims and the Trustee (“Reform Act Bar Order”).

19. Any Person, including the Released Parties, are permanently barred, enjoined, and restrained from commencing, prosecuting, or asserting any claim, however styled, whether for indemnification, contribution, or otherwise and whether arising under state, federal, or common law, against one another based upon, relating to, or arising out of the Settled Claims and where damages would be calculated based upon the Persons’ liability to the Lead Plaintiff or the Class (the “Complete Bar Order”).

20. To the extent (but only to the extent) not covered by the Reform Act Bar Order and/or the Complete Bar Order, the Lead Plaintiffs, on behalf of themselves and the Class, further agree that they will reduce or credit any settlement or judgment (up to the amount of such settlement or judgment) they may obtain against a Person by an amount equal to the amount of any settlement or final, non-appealable judgment that a Person may obtain against any of the Released Parties based upon, relating to, or arising out of the Settled Claims. In the event that a final judgment is entered in favor of Lead

Plaintiffs or the Class against a Person before the resolution of that Person's potential claims against any Released Parties, any funds collected on account of such judgment shall not be distributed, but shall be retained by the Escrow Agent pending the resolution of any potential claim by the Person against such Released Party(s) as provided in ¶25 of the Stipulation.

21. Co-Lead Counsel are hereby awarded attorneys' fees of 30% of the Settlement Fund and reimbursement of expenses in the amount of \$ 436,148.89. The attorneys' fees and expenses shall be paid to Co-Lead Counsel from the Settlement Fund with interest on both amounts from the date such Settlement Fund was funded to the date of payment at the same net rate that the Settlement Fund earns. The award of attorneys' fees shall be allocated among Plaintiffs' Counsel in a fashion which, in the opinion of Co-Lead Counsel, fairly compensates Plaintiffs' Counsel for their respective contributions in the prosecution of the Action.

22. In making this award of attorneys' fees and reimbursement of expenses to be paid from the Settlement Fund, the Court has considered and found that:

- a. the settlement has created a fund of \$13,650,000 in cash, comprised of payments of i) \$10 million on behalf of the Individual Defendants and ii) \$3.65 million on behalf of defendant KPMG LLP, plus interest thereon, and that numerous Class Members who submit acceptable Proofs of Claim will benefit from the Settlement created by Co-Lead Counsel;
- b. Over 62,000 copies of the Notice were disseminated to putative Class members indicating that Co-Lead Counsel were moving for attorneys' fees not to exceed 30% of the Settlement Fund and for reimbursement of out-of-pocket expenses not to exceed \$525,000 and no objections were filed against the ceiling on the fees and expenses requested by Co-Lead Counsel contained in the Notice, and only one objection was filed with respect to the Plan of Allocation;

- c. This Action involved numerous difficult issues related to liability and damages;
- d. Co-Lead Counsel achieved this Settlement with skill, perseverance, and diligent advocacy for the Class;
- e. Had Co-Lead Counsel not achieved the Settlement there would remain a significant risk that Lead Plaintiffs and the Class may have recovered less or nothing from the Defendants;
- f. Co-Lead Counsel have devoted over 6,366 hours, with a lodestar value of \$2,727,177.10, to achieve the Settlement;
- g. Co-Lead Counsel pursued this Action on a contingent basis;
- h. Co-Lead Counsel have requested 30% of the Settlement Fund in attorneys' fees, which is consistent with awards in similarly complex cases in this jurisdiction; and
- i. This Settlement was negotiated at arm's length, and no evidence of fraud or collusion has been presented.

23. Lead Plaintiffs Penn Capital Management, Robert L. Manard and Steve Russo are hereby awarded \$ 15,000.00, 12,250.00 and 4,952.50 respectively, from the Gross Settlement Fund for reimbursement of their reasonable costs and expenses (including lost wages) directly relating to their representation of the Class in prosecuting this Action.

24. The Garden City Group, Inc. ("GCG") is awarded \$ 88,851.11 for reimbursement of its fees and expenses incurred acting as the Settlement Administrator in this Action.

25. Without affecting the finality of this Judgment in any way, the Court reserves exclusive and continuing jurisdiction over the Action, the Lead Plaintiffs, the Class, and the Released Parties for the purposes of: (1) supervising the implementation, enforcement, construction, and interpretation of the Stipulation, the Plan of Allocation,

and this Judgment; (2) hearing and determining any application by Co-Lead Counsel for an award of attorneys' fees, costs, and expenses; and (3) supervising the distribution of the Settlement Fund.

SIGNED this 2nd day of October 2007.

JS JOANNA SEYBERT
JUDGE JOANNA SEYBERT
UNITED STATES DISTRICT JUDGE