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UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF WASHINGTON
AT SEATTLE

IN RE: WSB FINANCIAL GROUP
SECURITIES LITIGATION

Master File No. C07-1747RAJ

**FINAL JUDGMENT AND ORDER OF
DISMISSAL**

This matter came before the court on Lead Plaintiff’s motion (Dkt. #80) for final approval of the proposed settlement of this consolidated class action, and for approval of Lead Plaintiff’s plan for allocating the proceeds of the settlement to class members. The court preliminarily approved the settlement in a November 21, 2008 order (Dkt. # 77). The court notes that no class member objected to the terms of the settlement, and only six class members opted out of the settlement: (1) Jeffrey W. Bowyer (GCG ID No. 1002500), (2) Mary L Fields (GCG ID No. 1000576), (3) Craig Powell (GCG ID No. 2001497), (4) Daniel L Prevetie (GCG ID No. 2001671), (5) Quinn Rudee and Rex-Zane Rudee (GCG ID No. 1002943), and (6) Franklin C. Wright (GCG ID No. 2000365). Having considered the motion, the materials filed in support of the motion, and Defendants’ non-opposition to the motion, and having heard from the parties at a March 27, 2009 final approval hearing, the court GRANTS the motion and directs the clerk to enter this order as its final judgment. The remainder of this order is adopted verbatim from Lead Plaintiff’s proposed order, except that references to proposed exhibit 1 have been deleted in lieu of the above list of persons opting out of the class.

1 This matter came for hearing on March 27, 2009 (the “Final Approval Hearing”), upon
2 the application of (i) Lead Plaintiff, the Police and Fire Retirement System of the City of Detroit,
3 and the Class (as defined below in ¶3), (ii) Defendant WSB Financial Group, Inc. (“WSB”), and
4 (iii) David K. Johnson, Mark Freeman, Richard N. Christopherson, James H. Lamb, Brian B.
5 McLellan, Dean Reynolds, Donald H. Tucker, Louis J. Weir, and Larry C. Westfall (collectively,
6 the “Individual Defendants”) for approval, pursuant to Rule 23(e) of the Federal Rules of Civil
7 Procedure, of the Settlement set forth in the Stipulation of Settlement, dated October 15, 2008,
8 between Lead Plaintiff, on behalf of itself and each of the Class Members, and Defendants WSB,
9 David K. Johnson, Mark Freeman, Richard N. Christopherson, James H. Lamb, Brian B.
10 McLellan, Dean Reynolds, Donald H. Tucker, Louis J. Weir, and Larry C. Westfall, (the
11 “Stipulation”), which Stipulation is incorporated herein by reference. Due and adequate notice
12 of the Stipulation, Final Approval Hearing and Proposed Final Judgment and Order of Dismissal
13 having been given to the Class Members, and the Court having considered all papers filed and
14 proceedings had herein and otherwise being fully informed in the premises and good cause
15 appearing therefor, and a determination having been made expressly pursuant to Rule 54(b) of
16 the Federal Rules of Civil Procedure that there is no justification for delay, and it having
17 therefore been expressly directed that final judgment therein accordingly be made herein, IT IS
18 HEREBY ORDERED, ADJUDGED AND DECREED that:

19 1. This Judgment hereby incorporates by reference the definitions in the Stipulation,
20 and all terms used herein shall have the same meanings as set forth in the Stipulation.

21 2. This Court has jurisdiction to enter this Judgment. The Court has jurisdiction
22 over the subject matter of the Action and over all parties to the Action, including all Class
23 Members.

24 3. The Settlement is approved as fair, reasonable and adequate, and in the best
25 interests of the Class Members. The parties to the Settlement are directed to consummate the
26 Settlement in accordance with the terms and provisions of the Stipulation. The Class consists of
27 all persons and entities who purchased the common stock of WSB Financial pursuant to or
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1 traceable to the Company's Registration Statement issued in connection with WSB Financial's
2 initial public offering and who were damaged thereby. Excluded from the Class are Defendants,
3 the officers and directors of the Company at all relevant times, members of their immediate
4 families and their legal representatives, heirs, successors or assigns and any entity in which
5 Defendants have or had a controlling interest. Also excluded from the Class are any persons
6 who excluded themselves by timely and properly filing a valid request for exclusion in
7 accordance with the requirements set forth in the Notice. Such persons shall not be bound by
8 this Judgment. A list of the names of those persons who excluded themselves from the Class,
9 and thus are not bound by this Judgment, is set forth at the outset of this order. Lead counsel
10 shall be responsible for ensuring that appropriate measures are taken to exclude these persons
11 from the class.

12 4. The Court finds that all elements for maintenance of this Action as a class action
13 have been met and confirms certification of the Class solely for purposes of effectuating this
14 settlement. Specifically, the Class satisfies the numerosity requirement of Rule 23(a)(1); there
15 are common issues of fact and law sufficient to satisfy Rule 23(a)(2); the claims of the Lead
16 Plaintiff are typical of the claims of absent Class Members, satisfying Rule 23(a)(3); the Lead
17 Plaintiff is an adequate representative of the Class, satisfying Rule 23(a)(4); common issues
18 predominate over individual issues, satisfying Rule 23(b)(3)(i); and class action treatment of this
19 Action is a superior method of proceeding in the matter, satisfying Rule 23(b)(3)(ii).

20 5. Notice of the pendency of this Action as a class action and of the proposed
21 Settlement was given to all Class Members who could be identified with reasonable effort. The
22 form and method of notifying the Class of the pendency of the Action as a class action and of the
23 terms of the proposed Settlement met the notice requirements of due process, Rule 23 of the
24 Federal Rules of Civil Procedure, and § 27(a)(7) of the Securities Act of 1933, 15 U.S.C. § 77z-
25 1(a)(7), as amended by the Private Securities Litigation Reform Act of 1995, the Rules of the
26 Court and any other applicable law, and constituted the best notice practicable under the
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1 circumstances, and constituted due and sufficient notice to all persons and entities entitled
2 thereto.

3 6. Pursuant to and in compliance with Rule 23 of the Federal Rules of Civil
4 Procedure, the Court hereby finds that due and adequate notice of these proceedings was directed
5 to all persons who are Class Members, advising them of the Settlement, their right to exclude
6 themselves from the Class, the Final Approval Hearing, the Plan of Allocation, and Lead
7 Counsel's right to apply for attorneys' fees and reimbursement of expenses associated with the
8 Action, and of their right to object thereto, and a full and fair opportunity was accorded to all
9 persons who are Class Members to be heard with respect to the foregoing matters. Thus, it is
10 hereby determined that all Class Members who did not timely and properly elect to exclude
11 themselves by written communication postmarked or delivered on or before the date set forth in
12 the Notice of Proposed Settlement and the Notice Order are bound by this Judgment.

13 7. Pursuant to Rule 23 of the Federal Rules of Civil Procedure, this Court hereby
14 approves the Settlement, as set forth in the Stipulation, and finds that the Settlement is, in all
15 respects, fair, reasonable and adequate, and in the best interests of the Class, including Lead
16 Plaintiff. This Court further finds that the Settlement set forth in the Stipulation is the result of
17 arm's-length negotiations between experienced counsel representing the interests of the Lead
18 Plaintiff, the Class Members, and Defendants. Accordingly, the Settlement embodied in the
19 Stipulation is hereby approved in all respects and shall be consummated in accordance with the
20 terms and provisions of the Stipulation.

21 8. Except as to any individual claim of those persons who have filed timely and
22 valid requests for exclusion and who have been identified at the outset of this order, the Action is
23 dismissed on the merits without costs and with prejudice as to all Defendants in the Action.

24 9. Lead Plaintiff and all Class Members release all of the Released Claims described
25 in paragraph 20 below, against Defendants and their Released Persons. Lead Plaintiff and all
26 other Class Members are permanently barred and enjoined from the institution and prosecution
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1 of any action against the Defendants' Released Persons in any court asserting any Released
2 Claim.

3 10. Upon the Effective Date, as defined in the Stipulation, Lead Plaintiff and each of
4 the Class Members shall be deemed to have, and by operation of this Judgment shall have, fully,
5 finally and forever released, relinquished, settled and discharged any and all Released Claims
6 (including Unknown Claims) against Defendants' Released Persons and any and all claims or
7 potential claims that could be asserted in connection with the resolution of the Action or
8 Released Claims, whether or not Lead Plaintiff and Class Members execute and deliver Proof of
9 Claim and Release forms. Plaintiffs' Released Persons are permanently barred and enjoined
10 from the institution or prosecution of any action against Defendants' Released Persons, or any
11 one or more of them, in any court or other forum, asserting any Released Claim.

12 11. Defendants' Released Persons release all of the Released Claims, described in
13 paragraph 20 below, against Lead Plaintiff's Released Persons. Defendants' Released Persons
14 are permanently barred and enjoined from the institution or prosecution of any action against
15 Lead Plaintiff's Released Persons, or any one or more of them, in any court or other forum,
16 asserting any Released Claim.

17 12. Upon the Effective Date, each of Defendants' Released Persons shall be deemed
18 to have, and by operation of this Judgment shall have, fully, finally and forever released,
19 relinquished and discharged the Released Claims as against Lead Plaintiff's Released Persons,
20 and Lead Counsel and their agents.

21 13. The Released Persons are hereby discharged from all claims for contribution by
22 any person or entity, whether arising under state, federal or common law, relating specifically to
23 the subject matter of the Action, and the Court hereby bars all such claims for contribution.

24 14. Neither the Stipulation, nor any of its terms and provisions, nor any of the
25 negotiations or proceedings connected with it, nor any of the documents or statements referred to
26 therein shall be:

1 a. Offered in evidence as proof of liability or a presumption, concession or an
2 admission by any of the Released Persons of the truth of any fact alleged or the validity of any
3 claim that has been, could have been or in the future might be asserted in the Action, or
4 otherwise against the Released Persons, or of any purported liability, fault, wrongdoing or
5 otherwise of the Released Persons; or

6 b. Offered or received in evidence as proof of a presumption, concession or an
7 admission of any purported liability, wrongdoing, fault, misrepresentation or omission in any
8 statement, document, report or financial statement heretofore or hereafter issued, filed, approved
9 or made by any of the Released Persons or otherwise referred to for any other reason, other than
10 for the purpose of and in such proceeding as may be necessary for construing, terminating or
11 enforcing the Stipulation; or

12 c. Construed as a concession or an admission that the Lead Plaintiff or the
13 Settlement Class Members have suffered any damage; or

14 d. Construed as or received in evidence as an admission, concession or presumption
15 against Lead Plaintiff or the Class Members, or any of them, that any of their claims are without
16 merit or that damages recoverable in the Action would not have exceeded the Settlement Fund.

17 15. Notwithstanding the provisions of paragraph 14, the Stipulation and the Exhibits
18 may be filed in this Action or related litigation as evidence of the Settlement or in any
19 subsequent action against or by WSB or the Defendants' Released Persons to support a defense
20 of *res judicata*, collateral estoppel, release, good faith settlement, judgment, bar or reduction or
21 any other theory of claim preclusion or issue preclusion or similar defense or counterclaim.

22 16. The Court reserves jurisdiction, without affecting in any way the finality of this
23 Judgment, over: (a) hearing and determining Lead Plaintiff's application for approval of the
24 proposed Plan of Allocation; (b) implementation and enforcement of this Settlement, the
25 allowance, disallowance or adjustment of any Class Member's claim on equitable grounds and
26 any award or distribution of the Settlement Fund; (c) disposition of the Settlement Fund; (d)
27 hearing and determining Lead Counsel's applications for attorneys' fees, costs, interest and
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1 expenses, including fees and costs of experts and/or consultants, and the award of reasonable
2 costs and expenses (including lost wages) directly related to the representation of the Settlement
3 Class to Lead Plaintiff serving on behalf of the Class; (e) enforcing and administering this
4 Judgment; (f) enforcing and administering the Stipulation including any releases executed in
5 connection therewith; and (g) other matters related or ancillary to the foregoing.

6 17. The Court finds that during the course of the Action, the Settling Parties and their
7 respective counsel at all times complied with the requirements of Rule 11 of the Federal Rules of
8 Civil Procedure.

9 18. The finality of this Judgment shall not be affected, in any manner, by rulings that
10 the Court may make on Lead Plaintiff's Plan of Allocation and/or Lead Counsel's application for
11 an award of attorneys' fees and reimbursement of expenses. There shall be no distribution of
12 any of the Settlement Fund to any Class Member until a plan of allocation is finally approved
13 and is affirmed on appeal or is no longer subject to review by appeal or *certiorari*, and the time
14 for any petition for rehearing, appeal, or review, by *certiorari* or otherwise, of the order
15 approving the Plan of Allocation has expired.

16 19. "Released Persons" means and includes the "Defendants' Released Persons" and
17 the "Lead Plaintiff's Released Persons" as follows:

18 a. "Defendants' Released Persons" shall mean and include WSB, the Individual
19 Defendants, D.A. Davidson, and their current and former agents, employees, officers, directors,
20 members, representatives, heirs, executors, trustees, administrators, custodians, spouses, marital
21 communities, attorneys, advisors, subsidiaries, parents, affiliates, insurers, predecessors,
22 successors and assigns.

23 b. "Lead Plaintiff's Released Persons" shall mean and include the Lead Plaintiff, and
24 all other Class Members.

25 20. "Released Claims" means collectively any and all claims (including Unknown
26 Claims, as defined in ¶1.34 of the Stipulation) and includes:

27 a. all claims and causes of action of every nature and description, whether
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1 known or unknown, whether arising under federal, state, common or foreign law, that Lead
2 Plaintiff or any member of the Class (a) asserted in the Complaint, or (b) could have asserted in
3 any forum that arise out of or are based upon the allegations, transactions, facts, matters or
4 occurrences, representations or omissions involved, set forth, or referred to in the Complaint, but
5 does not include claims based on or relating to transactions between WSB and its customers
6 made in the ordinary course of business not involving the purchase or sale of securities as alleged
7 in the Action.

8 b. all claims whether known or Unknown Claims, asserted or unasserted by
9 or on behalf of WSB and/or the Individual Defendants against Lead Plaintiff and any Class
10 Member or their attorneys, which have been or could have been asserted, whether under state,
11 federal, common or administrative law, relating to the subject matter of the Action, including the
12 institution, prosecution or settlement of the Action, but does not include claims based on or
13 relating to transactions between WSB and its customers made in the ordinary course of business
14 not involving the purchase or sale of securities as alleged in the Action.

15 c. all asserted and unasserted claims, whether known or unknown, by D.A.
16 Davidson against Lead Plaintiff and any Class Member or their attorneys, whether under state,
17 federal, common or administrative law, that have been or could have been brought in any forum
18 relating specifically to the subject matter of the Action, including the institution, prosecution or
19 settlement of the Action, but does not include claims based on or relating to transactions between
20 D.A. Davidson and its customers made in the ordinary course of business not involving the
21 purchase or sale of securities as alleged in the Action.

22 21. In the event this Judgment does not become final (including, by way of example
23 and not limitation, being vacated, modified or reversed on appeal), it shall be rendered null and
24 void and shall be vacated and, in such event, (i) all orders entered and releases delivered in
25 connection therewith shall be null and void, (ii) the Class shall be automatically decertified
26 without prejudice to Lead Plaintiff's right to seek, or Defendants' right to oppose, class
27 certification in the future, and (iii) except as provided in paragraph 34 of the Stipulation,
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1 including any provisions of the Stipulation referred to therein, the Settlement Fund plus accrued
2 interest, less any notice costs, administration costs, taxes or tax expenses paid or owing shall be
3 returned in full as provided in paragraph 34 of the Stipulation.

4 22. This action against WSB, the Individual Defendants and D.A. Davidson is hereby
5 dismissed on the merits with prejudice.

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

9 SO ORDERED this 27th day of March, 2009.

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12 The Honorable Richard A. Jones
13 United States District Judge
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