STIPULATION OF SETTLEMENT
This Stipulation of Settlement dated as of October 31, 2006 (the “Stipulation”), is made and entered into by and among the following Settling Parties (as defined further in §IV hereof) to the above-entitled Litigation: (i) the Lead Plaintiff (on behalf of himself and each of the Settlement Class Members), by and through their counsel of record in the Litigation; and (ii) the Defendants, by and through their counsel of record in the Litigation. The Stipulation is intended by the Settling Parties to fully, finally and forever resolve, discharge and settle the Released Claims (as defined in ¶1.15), upon and subject to the terms and conditions hereof.

I. THE LITIGATION

On or after April 8, 2003, the following class actions were filed in the United States District Court for the Southern District of Florida:

1. **Culp v. Gainsco, Inc., et al.,** Case No. 03-20854
2. **Swoops v. Gainsco, Inc., et al.,** Case No. 03-21069

These cases (the “Litigation”) were consolidated for all purposes by Order dated October 7, 2003. On October 16, 2003, David Varney was appointed as Lead Plaintiff under §21D(a)(3)(B) of the Securities Exchange Act of 1934 (the “Exchange Act”) and Lead Plaintiff’s selection of Lead Counsel, pursuant to §21D(a)(3)(B)(v) of the Exchange Act was approved.

On March 29, 2004, Lead Plaintiff filed a Second Consolidated Amended Class Action Complaint asserting claims under §§10(b) and 20(a) of the Exchange Act and Rule 10b-5 thereunder (“Complaint”) naming as defendants Gainsco, Inc. (“Gainsco” or the “Company”), Glenn W. Anderson and Daniel J. Coots. Thereafter, Defendants filed a motion to transfer venue and a motion to dismiss. On September 22, 2004, the United States District Court for the Southern District of Florida issued an order declining to rule on the motion to dismiss and transferring the Litigation to the Northern District of Texas Fort Worth Division (the “Court”). The Litigation was transferred to the Court on October 1, 2004. On January 31, 2005 Defendants filed a motion to dismiss the
Complaint. On September 19, 2005, the Court issued an Order Denying Defendants’ Motion to Dismiss. Thereafter, the parties engaged in formal discovery. On April 12, 2006, Lead Plaintiff filed a Motion for Class Certification which Defendants opposed. The Motion for Class Certification was pending at the time the parties reached an agreement-in-principle to settle this Litigation.

On May 12, 2006, the Court issued an Order of Referral for Mediation in October 2006. The parties agreed to participate in mediation with Christopher Nolland. The mediation was scheduled for July 13, 2006; however, prior to the Mediation, the parties reached an agreement-in-principle to settle the Litigation.

II. DEFENDANTS’ DENIALS OF WRONGDOING AND LIABILITY

The Defendants have denied and continue to deny each and all of the claims and contentions alleged by the Lead Plaintiff in the Litigation. The Defendants have denied expressly and continue to deny 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 Litigation. The Defendants also have denied and continue to deny, inter alia, the allegations that the Lead Plaintiff or the Settlement Class have suffered damage, that the price of Gainsco common stock was artificially inflated by reasons of alleged misrepresentations, non-disclosures or otherwise, or that the Lead Plaintiff or the Settlement Class were harmed by the conduct alleged in the Litigation.

Nonetheless, the Defendants have concluded that further litigation would be protracted and expensive, and that it is desirable that the Litigation be fully and finally settled in the manner and upon the terms and conditions set forth in the Stipulation. The Defendants also have taken into account the uncertainty and risks inherent in any litigation, especially in complex cases like this Litigation. The Defendants have, therefore, determined that it is desirable and beneficial to them
that the Litigation be settled in the manner and upon the terms and conditions set forth in the
Stipulation.

III. CLAIMS OF THE LEAD PLAINTIFF AND BENEFITS OF
SETTLEMENT

The Lead Plaintiff believes that the claims asserted in the Litigation have merit and that the
evidence developed to date supports the claims. However, counsel for the Lead Plaintiff recognize
and acknowledge the expense and length of continued proceedings necessary to prosecute the
Litigation against the Defendants through trial and possible appeals. Counsel for the Lead Plaintiff
also have taken into account the uncertain outcome and the risk of any litigation, especially in
complex actions such as this Litigation, as well as the difficulties and delays inherent in such
litigation. Counsel for the Lead Plaintiff also are mindful of the inherent problems of proof under
and possible defenses to the federal securities law violations asserted in the Litigation. Counsel for
the Lead Plaintiff believe that the settlement set forth in the Stipulation confers substantial benefits
upon the Settlement Class. Based on their evaluation, counsel for the Lead Plaintiff have determined
that the settlement set forth in the Stipulation is in the best interests of the Lead Plaintiff and the
Settlement Class.

IV. TERMS OF STIPULATION AND AGREEMENT OF SETTLEMENT

NOW, THEREFORE, IT IS HEREBY STIPULATED AND AGREED by and among the
Lead Plaintiff (for himself and the Settlement Class Members) and the Defendants, by and through
their respective counsel or attorneys of record, that, subject to the approval of the Court, the
Litigation and the Released Claims shall be finally and fully compromised, settled and released, and
the Litigation shall be dismissed with prejudice, as to all Settling Parties, upon and subject to the
terms and conditions of the Stipulation.

1. Definitions

As used in the Stipulation the following terms have the meanings specified below.
1.1 “Authorized Claimant” means any Settlement Class Member whose claim for recovery has been allowed pursuant to the terms of the Stipulation.

1.2 “Claimant” means any Settlement Class Member who files a Proof of Claim in such form and manner, and within such time, as the Court shall prescribe.

1.3 “Claims Administrator” means the firm of Gilardi & Co. LLC, which shall administer the settlement.

1.4 “Defendants” means Gainsco, Glenn W. Anderson and Daniel J. Coots.

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

1.6 “Escrow Agent” means the law firm of Lerach Coughlin Stoia Geller Rudman & Robbins LLP or its successor(s).

1.7 “Final” means: (i) the date of final affirmance on an appeal of the Judgment, the expiration of the time for a petition for or a denial of a writ of certiorari to review the Judgment and, if certiorari is granted, the date of final affirmance of the Judgment following review pursuant to that grant; or (ii) the date of final dismissal of any appeal from the Judgment or the final dismissal of any proceeding on certiorari to review the Judgment; or (iii) if no appeal is filed, the expiration date of the time for the filing or noticing of any appeal from the Court’s Judgment approving the Stipulation substantially in the form of Exhibit B attached hereto; i.e., thirty (30) days after entry of the Judgment. Any proceeding or order, or any appeal or petition for a writ of certiorari pertaining solely to any plan of allocation and/or application for attorneys’ fees, costs or expenses, shall not in any way delay or preclude the Judgment from becoming Final.

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

1.9 “Lead Plaintiff” means David Varney.
1.10 “Person” means an individual, corporation, partnership, limited partnership, association, joint stock company, estate, legal representative, trust, unincorporated association, government or any political subdivision or agency thereof, and any business or legal entity and their spouses, heirs, predecessors, successors, representatives, or assignees.

1.11 Plaintiffs’ Counsel” means counsel who have appeared for any of the plaintiffs in the Litigation.

1.12 “Plaintiffs’ Settlement Counsel” or “Lead Counsel” mean Lerach Coughlin Stoia Geller Rudman & Robbins LLP, Jeffrey D. Light, 655 West Broadway, Suite 1900, San Diego, California, 92101; Lerach Coughlin Stoia Geller Rudman & Robbins LLP, Jack Reise, 120 East Palmetto Park Road, Suite 500, Boca Raton, Florida 33432; and Vianale & Vianale LLP, Kenneth J. Vianale, 2499 Glades Road, Suite 112, Boca Raton, Florida 33431.

1.13 “Plan of Allocation” means a plan or formula of allocation of the Settlement Fund whereby the Settlement Fund shall be distributed to Authorized Claimants after payment of expenses of notice and administration of the settlement, taxes and tax expenses and such attorneys’ fees, costs, expenses and interest as may be awarded by the Court. Any Plan of Allocation is not part of the Stipulation and Defendants shall have no responsibility or liability with respect thereto.

1.14 “Related Parties” means each of the Defendants and each of their past or present directors, officers, employees, partners, members, principals, agents, insurers, co-insurers, reinsurers, controlling shareholders, attorneys, accountants or auditors, banks or investment banks, underwriters, associates, personal or legal representatives, predecessors, successors, parents, subsidiaries, divisions, joint ventures, assigns, spouses, heirs, related or affiliated entities, any entity in which a Defendant has a controlling interest, any members of their immediate families, or any trust of which any Defendant is the settlor or which is for the benefit of any Defendant and/or member(s) of his family.
1.15 “Released Claims” shall collectively mean all claims (including “Unknown Claims” as defined in ¶1.21 hereof), demands, rights, liabilities and causes of action of every nature and description whatsoever, known or unknown, whether or not concealed or hidden, asserted or that might have been asserted in any forum, including, without limitation, claims for negligence, gross negligence, breach of duty of care and/or breach of duty of loyalty, fraud, breach of fiduciary duty, or violations of any state or federal statutes, rules or regulations, by the Lead Plaintiff or Settlement Class Member against the Released Persons arising out of, based upon or related to both the purchase of Gainsco common stock by any Settlement Class Member during the class period and the facts, transactions, events, occurrences, acts, disclosures, statements, omissions or failures to act which were or could have been alleged in the Litigation.

1.16 “Released Persons” means each and all of the Defendants and their Related Parties.

1.17 “Settlement Class” means for purposes of this Stipulation only, all Persons who purchased the common stock of Gainsco between November 17, 1999 through and including February 7, 2002, excluding the Defendants and members of their immediate families, any entity in which a Defendant has a controlling interest, and the legal representatives, heirs, successors, or assigns of any such excluded party. Also excluded from the Settlement Class are those Persons who submit a valid request to be excluded from the Settlement Class pursuant to the Notice of Pendency and Proposed Settlement of Class Action attached as Exhibit A-1 hereto.

1.18 “Settlement Class Member” or “Member of the Settlement Class” mean, for purposes of this Stipulation only, a Person who falls within the definition of the Settlement Class as set forth in ¶1.17 of the Stipulation.

1.19 “Settlement Fund” means the principal amount of Four Million Dollars ($4,000,000) paid pursuant to ¶2.1 of the Stipulation and delivered to the Escrow Agent, plus any accrued interest.
1.20  “Settling Parties” means, collectively, each of the Defendants and the Lead Plaintiff on behalf of himself and the Members of the Settlement Class.

1.21  “Unknown Claims” means any Released Claims which the Lead Plaintiff or Settlement Class Member does not know or suspect to exist in his, her or its favor at the time of the release of the Released Persons which, if known by him, her or it, might have affected his, her or its settlement with and release of the Released Persons, or might have affected his, her or its decision not to object to this settlement. With respect to any and all Released Claims, the Settling Parties stipulate and agree that, upon the Effective Date, the Lead Plaintiff shall expressly and each of the Settlement Class Members shall be deemed to have, and by operation of the Judgment shall have, expressly waived 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.

The Lead Plaintiff shall expressly and each of the Settlement Class Members 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, which is similar, comparable and/or equivalent to California Civil Code §1542. The Lead Plaintiff or Settlement Class Members 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, but the Lead Plaintiff shall expressly and each Settlement Class Member, 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, 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 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 Lead Plaintiff acknowledges, and the Settlement Class
Members shall be deemed by operation of the Judgment 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.

2. The Settlement

a. The Settlement Fund

2.1 The principal amount of $4,000,000 in cash, plus any accrued interest, shall constitute
the Settlement Fund, and shall be transferred to the Escrow Agent on or before November 20, 2006.
If the Settlement Fund is not transferred to the Escrow Agent as set forth above, interest will accrue
at 8% per annum from the date such payment should have been deposited on such portion of the
Settlement Fund not transferred, until the date such sums are transferred to the Escrow Agent.

b. The Escrow Agent

2.2 The Escrow Agent shall invest the Settlement Fund deposited pursuant to ¶2.1 above
in instruments backed by the full faith and credit of the United States Government or fully insured by
the United States Government or an agency thereof and shall reinvest the proceeds of these
instruments as they mature in similar instruments at their then current market rates. The Escrow
Agent shall bear all risks related to investment of the Settlement Fund.

2.3 The Escrow Agent shall not disburse the Settlement Fund except as provided in the
Stipulation, by an order of the Court, or with the written agreement of counsel for Defendants and
Plaintiffs’ Settlement Counsel.

2.4 Subject to further orders and/or directions as may be made by the Court, the Escrow
Agent is authorized to execute such transactions on behalf of the Settlement Class Members as are
consistent with the terms of the Stipulation.
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 the Stipulation and/or further order(s) of the Court.

2.6 After transfer of the Settlement Fund to the Escrow Agent pursuant to ¶2.1 hereof, the Escrow Agent may establish a “Notice and Administration Fund,” and may deposit up to $100,000 from the Settlement Fund in it. The Notice and Administration Fund may be used by Plaintiffs’ Settlement Counsel to pay costs and expenses reasonably and actually incurred in connection with providing notice to the Settlement Class, locating Settlement Class Members, soliciting Settlement Class claims, assisting with the filing of claims, administering and distributing the Settlement Fund to Authorized Claimants, processing Proof of Claim and Release forms and paying escrow fees and costs, if any. The Notice and Administration Fund may also be invested and earn interest as provided for in ¶2.2 of this Stipulation.

c. Taxes

2.7 The Settling Parties and the Escrow Agent agree to treat the Settlement Fund as being at all times a “qualified settlement fund” within the meaning of Treas. Reg. §1.468B-1. In addition, the Escrow Agent 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 Treas. Reg. §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 the Escrow Agent to timely and properly prepare and deliver the necessary documentation for signature by all necessary parties, and thereafter to cause the appropriate filing to occur.

(a) For the purpose of §468B of the Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder, the “administrator” shall be the Escrow Agent. The Escrow Agent shall timely and properly file all informational and other tax returns necessary or
advisable with respect to the Settlement Fund (including, without limitation, the returns described in Treas. Reg. §1.468B-2(k)). Such returns (as well as the election described in this paragraph) 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(b) hereof.

(b) Defendants, their attorneys and insurers shall have no liability or responsibility for any 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 Defendants 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”). All (a) 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 Defendants and their counsel shall have no liability or responsibility for the Taxes or the Tax Expenses. The Escrow Agent shall indemnify and hold each of the Defendants and their counsel and person(s) and/or entities paying the Settlement Fund harmless for Taxes and Tax Expenses (including, without limitation, Taxes payable by reason of any such indemnification). 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 the Escrow Agent out of the Settlement Fund without prior order from the Court and the Escrow Agent 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 Treas. Reg. §1.468B-2(l)(2)); neither the Defendants nor their counsel are responsible nor shall they have any liability therefor. The 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.

(c) For the purpose of this ¶2.7, references to the Settlement Fund shall include both the Settlement Fund and the Notice and Administration Fund and shall also include any earnings thereon.

d. Termination of Settlement

2.8 In the event that the Stipulation is not approved, or is terminated, canceled, or fails to become effective for any reason, the Settlement Fund (including accrued interest) less costs of notice and administration actually incurred or due and owing in connection with the settlement provided for herein, shall be refunded to Defendants and the insurance carrier in proportion to their respective contributions to the Settlement Fund, as described in ¶7.5 hereof.

3. Notice Order and Settlement Hearing

3.1 Promptly after execution of the Stipulation, Plaintiffs’ Settlement Counsel shall submit the Stipulation together with its Exhibits to the Court and shall apply for entry of an order (the “Notice Order”), substantially in the form of Exhibit A attached hereto, requesting, inter alia, certification of the Settlement Class for settlement purposes only and approval for the mailing of a settlement notice (the “Notice”) and publication of a summary notice, substantially 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 the Stipulation, the proposed Plan of Allocation, the general terms of the Fee and Expense Application as defined in ¶6.1 hereof and the date of the Settlement Hearing as defined below.
3.2 Plaintiffs’ Settlement Counsel shall request that after notice is given, the Court hold a hearing (the “Settlement Hearing”) and approve the settlement of the Litigation as set forth herein. At or after the Settlement Hearing, Plaintiffs’ Settlement Counsel also will request that the Court approve the proposed Plan of Allocation and the Fee and Expense Application.

4. Releases

4.1 Upon the Effective Date, as defined in ¶1.5 hereof, the Lead Plaintiff and each of the Settlement Class Members shall be deemed to have, and by operation of the Judgment shall have, fully, finally, and forever released, relinquished and discharged all Released Claims against the Released Persons, whether or not such Settlement Class Member executes and delivers a Proof of Claim and Release.

4.2 The Proof of Claim and Release to be executed by Settlement 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.

4.3 Upon the Effective Date, as defined in ¶1.5 hereof, 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 each and all of the Settlement Class Members and Plaintiffs’ Counsel from all claims (including Unknown Claims), arising out of, relating to, or in connection with the institution, prosecution, assertion, settlement or resolution of the Litigation or the Released Claims.

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

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

5.2 The Settlement Fund shall be applied as follows:
(a) to pay Plaintiffs’ Counsel’s attorneys’ fees, expenses and costs with interest thereon (the “Fee and Expense Award”), if and to the extent allowed by the Court;

(b) to pay all the costs and expenses reasonably and actually incurred in connection with providing notice, locating Settlement Class Members, soliciting Settlement Class claims, assisting with the filing of claims, administering and distributing the Settlement Fund to Authorized Claimants, processing Proof of Claim and Release forms and paying escrow fees and costs, if any;

(c) to pay the Taxes and Tax Expenses described in ¶2.7 hereof; and

(d) to distribute the balance of the Settlement Fund (the “Net Settlement Fund”) to Authorized Claimants as allowed by the Stipulation, the Plan of Allocation, or the Court.

5.3 Upon the Effective Date and thereafter, and in accordance with the terms of the Stipulation, the Plan of Allocation, 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.

5.4 Within ninety (90) days after the mailing of the Notice or such other time as may be set by the Court, 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, signed under penalty of perjury and supported by such documents as specified in the Proof of Claim and Release and as are reasonably available to the Settlement Class Member.

5.5 Except as otherwise ordered by the Court, all Settlement Class Members who fail to timely submit a Proof of Claim and Release within such period, or such other period as may be ordered by the Court, or otherwise allowed, shall be forever barred from receiving any payments pursuant to the Stipulation and the settlement set forth therein, but will in all other respects be
subject to and bound by the provisions of the Stipulation, the releases contained therein, and the Judgment.

5.6 The Net Settlement Fund shall be distributed to the Authorized Claimants substantially in accordance with a Plan of Allocation to be described in the Notice and approved by the Court. However, if there is any balance remaining in the Net Settlement Fund after six (6) months from the date of distribution of the Net Settlement Fund (whether by reason of tax refunds, uncashed checks or otherwise), Plaintiffs’ Settlement Counsel shall reallocate such balance among Authorized Claimants in an equitable and economic fashion. Thereafter, any balance which still remains in the Net Settlement Fund shall be donated to an appropriate non-profit organization.

5.7 The Defendants and their counsel (except as provided in ¶2.7) shall have no responsibility for, interest in, or liability whatsoever with respect to the investment or distribution of the Settlement Fund, the Plan of Allocation, the determination, administration, or calculation of claims, the payment or withholding of Taxes, or any losses incurred in connection therewith.

5.8 No Person shall have any claim against Plaintiffs’ Counsel or any claims administrator, or Defendants or their respective counsel based on distributions made substantially in accordance with the Stipulation and the settlement contained therein, the Plan of Allocation, or further order(s) of the Court.

5.9 It is understood and agreed by the Settling Parties that any proposed plan of allocation 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 the 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 the Stipulation, and any orders or proceedings relating to the Plan of Allocation shall not operate to terminate or cancel the Stipulation or affect the finality of the Court’s
Judgment approving the Stipulation and the settlement set forth therein, or any other orders entered pursuant to the Stipulation.

6. **Lead Counsel’s Attorneys’ Fees and Reimbursement of Expenses**

6.1 The Lead Plaintiff or his counsel may submit an application or applications (the “Fee and Expense Application”) for distributions to them from the Settlement Fund for: (a) an award of attorneys’ fees; plus (b) reimbursement of actual expenses, including the fees and expenses of any experts or consultants, incurred in connection with prosecuting the Litigation, plus any interest on such attorneys’ fees, costs and expenses at the same rate and for the same periods as earned by the Settlement Fund (until paid) as may be awarded by the Court; and (c) reimbursement for the expenses (including lost wages) of the Lead Plaintiff. Lead Counsel reserve the right to make additional applications for fees and expenses incurred. In no event shall any such application seek or act to increase the amount of the Settlement Fund. Defendants and their Related Parties will take no position with respect to Lead Counsel’s Fee and Expense Application so long as it does not increase the amount of the Settlement Fund.

6.2 The attorneys’ fees, expenses and costs, including the fees and expenses of experts and consultants, as awarded by the Court, shall be paid to Lead Counsel from the Settlement Fund, as ordered, immediately after the Court executes an order awarding such fees and expenses. Lead Counsel shall thereafter allocate the attorneys’ fees amongst Plaintiffs’ Counsel in a manner in which they in good faith believe reflects the contributions of such counsel to the institution, prosecution and settlement of the Litigation. In the event attorneys’ fees or expenses are awarded by the Court pursuant to ¶6.1 hereof and paid to Plaintiffs’ Counsel from the Settlement Fund, all Plaintiffs’ Counsel who receive any payment of attorneys’ fees or expenses agree that they accept payment subject to the obligation of each Plaintiffs’ Counsel (including their respective partners, shareholders and/or firms), receiving payments to make repayment to the Settlement Fund within
five (5) business days from receiving notice from Defendants’ counsel or from a court of appropriate jurisdiction, of the amount required to be refunded by any court or appellate court, with accrued interest, in the event, for any reason, including, without limitation, appeal, further proceeding on remand or successful collateral attack, the attorneys’ fee or expense award is reduced or reversed. Furthermore, all Plaintiffs’ Counsel (including their respective partners, shareholders and/or firms) agree that they remain subject to the continuing jurisdiction of the Court for the purpose of enforcing their obligation to repay required attorneys’ fees and expenses to the Settlement Fund as provided in this paragraph.

6.3 The procedure for and the allowance or disallowance by the Court of any applications by Lead Plaintiff or Lead Counsel for attorneys’ fees and expenses, including the fees and expenses of experts and consultants, to be paid out of the Settlement Fund, are not part of the settlement set forth in the Stipulation, and are to be considered by the Court separately from the Court’s consideration of the fairness, reasonableness and adequacy of the settlement set forth in the Stipulation, and any order or proceeding relating to the Fee and Expense Application, or any appeal from any order relating thereto or reversal or modification thereof, shall not operate to terminate or cancel the Stipulation, or affect or delay the finality of the Judgment approving the Stipulation and the settlement of the Litigation set forth therein.

6.4 Defendants and their Related Parties shall have no responsibility for, and no liability whatsoever with respect to, any payment to Plaintiffs’ Counsel or any other counsel or Person who receives payment from the Settlement Fund.

6.5 Defendants and their Related Parties shall have no responsibility for, and no liability whatsoever with respect to 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
Litigation, and Defendants and their respective Related Parties take no position with respect to such matters.

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

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

(a) Defendants have timely made their contributions to the Settlement Fund as required by ¶2.1 hereof;

(b) the Court has entered the Notice Order, as required by ¶3.1 hereof;

(c) the Court has entered the Judgment, or a judgment substantially in the form of Exhibit B attached hereto;

(d) Defendants have not exercised their option to terminate the settlement pursuant to ¶7.4; and

(e) the Judgment has become Final, as defined in ¶1.7 hereof.

7.2 Upon the occurrence of all of the events referenced in ¶7.1 hereof, any and all remaining interest or right of Defendants in or to the Settlement Fund, if any, shall be absolutely and forever extinguished.

7.3 If all of the conditions specified in ¶7.1 hereof are not met, then the Stipulation shall be canceled and terminated subject to ¶7.6 hereof unless Plaintiffs’ Settlement Counsel and counsel for Defendants mutually agree in writing to proceed with the Stipulation.

7.4 If prior to the Settlement Hearing, Persons who otherwise would be Members of the Settlement Class have filed with the Court timely requests for exclusion (“Requests for Exclusion”) from the Settlement Class in accordance with the provisions of the Notice Order and the notice given pursuant thereto and such Persons’ shares purchased during the class period in the aggregate are in an amount greater than the amount specified in a separate Supplemental Agreement between the
Settling Parties, the Defendants shall have, in their sole and absolute discretion, the option to terminate this Stipulation in accordance with the procedures set forth in the Supplemental Agreement. The Supplemental Agreement will not be filed with the Court unless and until a dispute among the Settling Parties concerning its interpretation or application arises. Copies of all Requests for Exclusion received, together with copies of all written revocations of Requests for Exclusion, shall promptly be delivered to counsel for Defendants but in no event later than seven (7) days before the Settlement Hearing.

7.5 Unless otherwise ordered by the Court, in the event the Stipulation shall terminate, or be canceled, or shall not become effective for any reason, the Settlement Fund (including accrued interest), plus any amount then remaining in the Notice and Administration Fund (including accrued interest), less expenses and any costs which have either been properly disbursed pursuant to ¶2.6 or 2.7 hereof, or are chargeable to the Notice and Administration Fund, shall be refunded by the Escrow Agent in accordance with instructions given by counsel for the Defendants within five (5) business days after written notification of such event is sent by counsel for Defendants. At the request of Defendants’ counsel, the Escrow Agent or its designee shall apply for any tax refund owed to the Settlement Fund and pay the proceeds, after deduction of any fees or expenses incurred in connection with such application(s) for refund, to the Defendants or their insurance carrier in proportion to their respective contributions to the Settlement Fund.

7.6 In the event that the Stipulation is not approved by the Court or the settlement set forth in the Stipulation is terminated or fails to become effective in accordance with its terms, the Settling Parties shall be restored to their respective positions in the Litigation as of July 12, 2006. In such event, the terms and provisions of the Stipulation, with the exception of ¶¶1.1-1.21, 2.2-2.8, 6.2, 7.3-7.7, 8.2-8.4, 8.9-8.13 herein, shall have no further force and effect with respect to the Settling Parties and shall not be used in this Litigation or in any other proceeding for any purpose,
and any judgment or order entered by the Court in accordance with the terms of the Stipulation shall be treated as vacated, *nunc pro tunc*. No order of the Court or modification or reversal on appeal of any order of the Court concerning the Plan of Allocation or the amount of any attorneys’ fees, expenses and interest awarded by the Court to the Lead Plaintiff or to any Plaintiffs’ Counsel shall constitute grounds for cancellation or termination of the Stipulation.

7.7 If the Effective Date does not occur, or if the Stipulation is terminated pursuant to its terms, neither the Lead Plaintiff nor any Plaintiffs’ Counsel shall have any obligation to repay any amounts actually and properly disbursed from the Notice and Administration Fund or pursuant to ¶2.7 hereof. In addition, any expenses already incurred and chargeable to the Notice and Administration Fund pursuant to ¶2.6 hereof at the time of such termination or cancellation but which have not been paid, shall be paid by the Escrow Agent in accordance with the terms of the Stipulation prior to the balance being refunded in accordance with ¶7.5 hereof.

7.8 If a case is commenced in respect to any Defendant under Title 11 of the United States Code (Bankruptcy), or a trustee, receiver or conservator is appointed under any similar law, and in the event of the entry of a final order of a court of competent jurisdiction determining the transfer of the Settlement Fund, or any portion thereof, by or on behalf of such Defendant to be a preference, voidable transfer, fraudulent transfer or similar transaction that results in the actual return of the Settlement Fund or any portion thereof, paid by or on behalf of that Person, then, as to such Defendant, the releases given and Judgment entered in favor of such Defendant pursuant to this Stipulation shall be null and void.

8. **Miscellaneous Provisions**

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

8.2 Each Defendant warrants as to himself that, at the time any of the payments provided
for herein are made on behalf of himself, he is not insolvent and such payment will not render him
insolvent. This representation is made by each Defendant as to himself, and is not made by counsel
for the Defendants.

8.3 The parties intend this Stipulation to be a final and complete resolution of all disputes
between them with respect to the Litigation. The settlement compromises claims which are
contested and shall not be deemed an admission by any Settling Party as to the merits of any claim or
defense. While retaining their right to deny that the claims advanced in the Litigation were
meritorious, Defendants, in any statement made to any media (whether or not for attribution), will
not deny that the Litigation was filed in good faith and is being settled voluntarily after consultation
with competent legal counsel. The Final Judgment will contain a statement that during the course of
the Litigation, the parties and their respective counsel at all times complied with the requirements of
Federal Rule of Civil Procedure 11. The Settling Parties agree that the amount paid to the
Settlement Fund and the other terms of the settlement were negotiated in good faith by the Settling
Parties, and reflect a settlement that was reached voluntarily after consultation with competent legal
counsel. The Settling Parties reserve their right to rebut, in a manner that such party determines to
be appropriate, any contention made in any public forum that the Litigation was brought or defended
in bad faith or without a reasonable basis.

8.4 Neither the Stipulation nor the settlement contained therein, nor any act performed or
document executed pursuant to or in furtherance of the Stipulation or the settlement: (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 Defendants; or (b) is or may be deemed to be or may be used
as an admission of, or evidence of, any fault or omission of any of the Defendants in any civil, criminal or administrative proceeding in any court, administrative agency or other tribunal. Defendants may file the Stipulation and/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.

8.5 All agreements made and orders entered during the course of the Litigation relating to the confidentiality of information shall survive this Stipulation.

8.6 All of the Exhibits to the Stipulation are material and integral parts thereof and are fully incorporated therein by this reference.

8.7 The 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.

8.8 The Stipulation and the Exhibits attached thereto and the Supplemental Agreement constitute the entire agreement among the parties hereto and no representations, warranties or inducements have been made to any party concerning the Stipulation or its Exhibits other than the representations, warranties and covenants contained and memorialized in such documents. Except as otherwise provided therein, each party shall bear its own costs.

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

8.10 Each counsel or other Person executing the Stipulation or any of its Exhibits on behalf of any party hereto hereby warrants that such Person has the full authority to do so.
8.11 The 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 original executed counterparts shall be filed with the Court.

8.12 The Stipulation shall be binding upon, and inure to the benefit of, the successors and assigns of the parties hereto.

8.13 The Court shall retain jurisdiction with respect to implementation and enforcement of the terms of the Stipulation, and all parties hereto submit to the jurisdiction of the Court for purposes of implementing and enforcing the settlement embodied in the Stipulation.

8.14 The Stipulation and the Exhibits thereto shall be considered to have been negotiated, executed and delivered, and to be wholly performed, in the State of Texas, and the rights and obligations of the parties to the Stipulation shall be construed and enforced in accordance with, and governed by, the internal, substantive laws of the State of Texas without giving effect to that State’s choice of law principles.

IN WITNESS WHEREOF, the parties hereto have caused the Stipulation to be executed, by their duly authorized attorneys, dated as of October 31, 2006.

CLAXTON & HILL, PLLC
ROGER F. CLAXTON
State Bar No. 04329000
ROBERT J. HILL
State Bar No. 09652100

s/ Roger F. Claxton
ROGER F. CLAXTON

700 McKinney Place
3131 McKinney Avenue, LB-103
Dallas, TX 75204-2471
Telephone: 214/969-9029
214/953-0583 (fax)

Local Counsel for Plaintiffs
LERACH COUGHLIN STOIA GELLER
RUDMAN & ROBBINS LLP
JEFFREY D. LIGHT

s/ Jeffrey D. Light
__________________________
JEFFREY D. LIGHT

655 West Broadway, Suite 1900
San Diego, CA 92101-3301
Telephone: 619/231-1058
619/231-7423 (fax)

LERACH COUGHLIN STOIA GELLER
RUDMAN & ROBBINS LLP
JACK REISE
ROBERT J. ROBBINS
120 East Palmetto Park Road, Suite 500
Boca Raton, FL 33432
Telephone: 561/750-3000
561/750-3364 (fax)

VIANALE & VIANALE LLP
KENNETH J. VIANALE
JULIE PRAG VIANALE

s/ Kenneth J. Vianale
__________________________
KENNETH J. VIANALE

2499 Glades Road, Suite 112
Boca Raton, FL 33431
Telephone: 561/392-4750
561/392-4775 (fax)

Co-Lead Counsel for Plaintiffs
JACKSON WALKER L.L.P.
MARK T. JOSEPHS
SCOTT A. WHEATLEY

s/ Mark T. Josephs
MARK T. JOSEPHS

901 Main Street
Suite 6000
Dallas, TX  75202
Telephone:  214/953-6000
214/953-5822 (fax)

Attorneys for Defendants
CERTIFICATE OF SERVICE

I hereby certify that on this 31st day of October, 2006, I electronically filed the foregoing document with the clerk of court for the U.S. District Court, Northern District of Texas, using the electronic case filing system of the court. The electronic case filing system sent a “Notice of Electronic Filing” to the following attorneys of record who have consented in writing to accept this notice as service of this document by electronic means:

Roger F. Claxton
Robert J. Hill
CLAXTON & HILL
3131 McKinney Avenue, Suite 700
Dallas, Texas 75204

Mark T. Josephs
Scott A. Wheatley
JACKSON WALKER, L.L.P.
901 Main Street, Suite 6000
Dallas, TX 75202

Jack Reise
Lerach, Coughlin, Stoia, Geller, Rudman & Robbins
197 S. Federal Highway, Suite 200
Boca Raton, FL 33432

I further certify that a true and correct copy of the foregoing document was sent by first class mail to counsel listed below that have not consented in writing to accept this notice by electronic means:

Samuel H. Rudman
GELLER RUDMAN
200 Broadhollow Road, Suite 406
Melville, NY 11747

Kenneth J. Vianale
Julie Prag Vianale
VIANALE & VIANALE LLP
5355 Town Center Road, Suite 801
Boca Raton, FL 33486

s/ Scott A. Wheatley
Scott A. Wheatley
UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF TEXAS
FORT WORTH DIVISION

EARL CULP, On Behalf of Himself and All Others Similarly Situated, Plaintiff,

vs.

GAINSCO, INC., et al.,

Defendants.

Civil Action No. 4:04-cv-00723-Y (ECF)

[PROPOSED] ORDER PRELIMINARILY APPROVING SETTLEMENT AND PROVIDING FOR NOTICE

EXHIBIT A
WHEREAS, a consolidated class action is pending before the Court entitled *Culp v. Gainsco, Inc., et al.*, Civil Action 4:04-cv-00723-Y (the “Litigation”); and

WHEREAS, the parties having made application, pursuant to Federal Rule of Civil Procedure 23(e), for an order preliminarily approving the settlement of this Litigation, in accordance with a Stipulation of Settlement dated as of October 31, 2006 (the “Stipulation”), which, together with the Exhibits annexed thereto sets forth the terms and conditions for a proposed settlement of the Litigation and for dismissal of the Litigation with prejudice upon the terms and conditions set forth therein; and the Court having read and considered the Stipulation and the Exhibits annexed thereto; and

WHEREAS, all defined terms contained herein shall have the same meanings as set forth in the Stipulation;

NOW, THEREFORE, IT IS HEREBY ORDERED that:

1. For purposes of the Stipulation and settlement only, the Court certifies a Settlement Class defined as

   all Persons who purchased the common stock of Gainsco between November 17, 1999 through and including February 7, 2002, excluding the Defendants and members of their immediate families, any entity in which a Defendant has a controlling interest, and the legal representatives, heirs, successors, or assigns of any such excluded party. Also excluded from the Settlement Class are those Persons who submit a valid request to be excluded from the Settlement Class pursuant to the Notice of Pendency and Proposed Settlement of Class Action.

2. The Court finds that (i) Members of the Settlement Class are so numerous as to make joinder impracticable; (ii) the claims of the Lead Plaintiff are typical of the claims of the Settlement Class he seeks to represent; (iii) the interests of the Members of the Settlement Class will be, and have been, fairly and adequately represented by Lead Plaintiff and his counsel of record in this Litigation; (iv) a class action is superior to other available methods for the fair and efficient adjudication of this action; (v) common questions of law and fact exist as to all Members of the
Settlement Class; and (vi) such common questions predominate over any questions solely affecting individual Members of the Settlement Class.

3. The Court approves, as to form and content, the Notice of Pendency and Proposed Settlement of Class Action (the “Notice”), the Proof of Claim and Release form (the “Proof of Claim”), and Summary Notice annexed as Exhibits A-1, A-2 and A-3 hereto and finds that the mailing and distribution of the Notice and publishing of the Summary Notice substantially in the manner and form set forth in ¶¶5-6 of this Order meet the requirements of Federal Rule of Civil Procedure 23 and due process, and is the best notice practicable under the circumstances and shall constitute due and sufficient notice to all Persons entitled thereto.

4. A hearing (the “Settlement Hearing”) shall be held before this Court on ________________, 2006, at __:__ __.m., at the United States District Court for the Northern District of Texas, Fort Worth Division, United States Courthouse, 501 West 10th Street, Room 201, Fort Worth, Texas, to determine whether the proposed settlement of the Litigation on the terms and conditions provided for in the Stipulation is fair, just, reasonable and adequate to the Settlement Class and should be approved by the Court; whether a Judgment as provided in ¶1.8 of the Stipulation should be entered herein; whether the proposed Plan of Allocation should be approved; to determine the amount of fees and expenses that should be awarded to Lead Counsel; and whether the expenses of the Lead Plaintiff should be reimbursed. The Court may adjourn the Settlement Hearing without further notice to Members of the Settlement Class.

5. Gilardi & Co. LLC (“Claims Administrator”) is hereby appointed to supervise and administer the notice procedure as well as the processing of claims as more fully set forth below:

   (a) Not later than __________, 2006 (the “Notice Date”), the Claims Administrator shall cause a copy of the Notice and the Proof of Claim, substantially in the forms annexed as
Exhibits A-1 and A-2 hereto, to be mailed by first class mail to all Settlement Class Members who can be identified with reasonable effort;

(b) Not later than _________, 2006, the Claims Administrator shall cause the Summary Notice, substantially in the form annexed as Exhibit A-3 hereto, to be published once in *Investor’s Business Daily*; and

(c) At least seven (7) days prior to the Settlement Hearing, Plaintiffs’ Settlement Counsel shall serve on Defendants’ counsel and file with the Court proof, by affidavit or declaration, of such mailing and publishing.

6. Nominees who purchased the common stock of Gainsco for the beneficial ownership of others during the period beginning November 17, 1999 through February 7, 2002, inclusive, shall send the Notice and the Proof of Claim to such beneficial owners of such Gainsco common stock within ten (10) days after receipt thereof, or send a list of the names and addresses of such beneficial owners to the Claims Administrator within ten (10) days of receipt thereof, in which event the Claims Administrator shall promptly mail the Notice and Proof of Claim to such beneficial owners. Plaintiffs’ Settlement Counsel shall, if requested, reimburse banks, brokerage houses or other nominees solely for their reasonable out-of-pocket expenses incurred in providing notice to beneficial owners who are Settlement Class Members, which expenses would not have been incurred except for the sending of such Notice, out of the Settlement Fund, subject to further order of this Court with respect to any dispute concerning such compensation.

7. All Members of the Settlement Class shall be bound by all determinations and judgments in the Litigation concerning the settlement, whether favorable or unfavorable to the Settlement Class.

8. Settlement Class Members who wish to participate in the settlement shall complete and submit Proof of Claim forms in accordance with the instructions contained therein. Unless the
Court orders otherwise, all Proof of Claim forms must be postmarked no later than ninety (90) days from the Notice Date. Any Settlement Class Member who does not timely submit a Proof of Claim shall be barred from sharing in the distribution of the proceeds of the Settlement Fund, unless otherwise ordered by the Court.

9. Any Member of the Settlement Class may enter an appearance in the Litigation, individually or through counsel of their own choice, at their own expense. If they do not enter an appearance, they will be represented by Plaintiffs’ Settlement Counsel.

10. Pending final determination of whether the settlement should be approved, neither the Lead Plaintiff nor any Settlement Class Member, either directly, representatively, or in any other capacity, shall commence or prosecute against any of the Released Persons any action or proceeding in any court or tribunal asserting any of the Released Claims.

11. Any Person falling within the definition of the Settlement Class may, upon request, be excluded from the Settlement Class. Any such Person must submit to the Claims Administrator a request for exclusion (“Request for Exclusion”), postmarked no later than __________, 2006. A Request for Exclusion must state: (1) the name, address, and telephone number of the Person requesting exclusion; (2) the Person’s purchases and sales of Gainsco common stock made during the class period, including the dates, the number of shares, and price paid or received per share for each such purchase or sale; and (3) that the Person wishes to be excluded from the Settlement Class. All Persons who submit valid and timely Requests for Exclusion in the manner set forth in this paragraph shall have no rights under the Stipulation, shall not share in the distribution of the Settlement Fund, and shall not be bound by the Stipulation or the Final Judgment.

12. Any Member of the Settlement Class may appear and show cause, if he, she or it has any, why the proposed settlement of the Litigation should or should not be approved as fair, just, reasonable and adequate, or why a judgment should or should not be entered thereon, why the Plan
of Allocation should or should not be approved, why attorneys’ fees and expenses should or should not be awarded to Lead Counsel or the expenses of Lead Plaintiff reimbursed; provided, however, that no Settlement Class Member or any other Person shall be heard or entitled to contest the approval of the terms and conditions of the proposed settlement, or, if approved, the Judgment to be entered thereon approving the same, or the order approving the Plan of Allocation, or the attorneys’ fees and expenses to be awarded to Lead Counsel unless that Person has delivered by hand or sent by first class mail written objections and copies of any papers and briefs such that they are received on or before ________, 2006, by Jeffrey D. Light, Lerach Coughlin Stoia Geller Rudman & Robbins LLP, 655 West Broadway, Suite 1900, San Diego, California, 92101; Julie Prag Vianale, Vianale & Vianale LLP, 2499 Glades Road, Suite 112, Boca Raton, FL 33431; and Mark T. Josephs, Jackson Walker L.L.P., 901 Main Street, Suite 6000, Dallas, Texas 75202, and filed said objections, papers and briefs with the Clerk of the United States District Court for the Northern District of Texas, Fort Worth Division, United States Courthouse, 501 West 10th Street, Room 310, Fort Worth, Texas, 76102-3673, on or before ____________, 2006. Any Member of the Settlement Class who does not make his, her or its objection in the manner provided shall be deemed to have waived such objection and shall forever be foreclosed from making any objection to the fairness or adequacy of the proposed settlement as incorporated in the Stipulation, to the Plan of Allocation, and to the award of attorneys’ fees and reimbursement of expenses to counsel for the plaintiffs or the expenses of the Lead Plaintiff unless otherwise ordered by the Court.

13. The passage of title and ownership of the Settlement Fund to the Escrow Agent in accordance with the terms and obligations of the Stipulation is approved. No Person that is not a Settlement Class Member or counsel to the plaintiffs shall have any right to any portion of, or in the distribution of, the Settlement Fund unless otherwise ordered by the Court or otherwise provided in the Stipulation.
14. 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 the Stipulation and/or further order(s) of the Court.

15. All papers in support of the settlement, the Plan of Allocation, any application by Lead Counsel for attorneys’ fees or reimbursement of expenses shall be filed and served seven (7) days prior to the Settlement Hearing.

16. Neither the Defendants nor Defendants’ counsel shall have any responsibility for the Plan of Allocation, or any application for attorneys’ fees or reimbursement of expenses submitted by Lead Counsel, and such matters will be considered separately from the fairness, reasonableness and adequacy of the settlement.

17. At or after the Settlement Hearing, the Court shall determine whether the Plan of Allocation proposed by Plaintiffs’ Settlement Counsel, and any application for attorneys’ fees or reimbursement of expenses shall be approved.

18. All reasonable expenses incurred in identifying and notifying Settlement Class Members, as well as administering the Settlement Fund, shall be paid as set forth in the Stipulation. In the event the settlement is not approved by the Court, or otherwise fails to become effective, neither the Lead Plaintiff nor any of Lead Counsel shall have any obligation to repay any amounts actually and properly disbursed from or chargeable to the Notice and Administration Fund in accordance with the terms of the Stipulation.

19. Neither the Stipulation, nor any of its terms or provisions, nor any of the negotiations or proceedings connected with it, shall be construed as an admission or concession by Defendants of the truth of any of the allegations in the Litigation, or of any liability, fault, or wrongdoing of any kind.
20. The Court reserves the right to adjourn the date of the Settlement Hearing without further notice to the Members of the Settlement Class, and it retains jurisdiction to consider all further applications arising out of or connected with the proposed settlement. The Court may approve the settlement, with such modifications as may be agreed to by the Settling Parties, if appropriate, without further notice to the Settlement Class.

IT IS SO ORDERED.

DATED: _________________________

THE HONORABLE TERRY R. MEANS
UNITED STATES DISTRICT JUDGE
UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF TEXAS
FORT WORTH DIVISION

EARL CULP, On Behalf of Himself and All Others Similarly Situated,

Plaintiff,

vs.

GAINSCO, INC., et al.,

Defendants.

Civil Action No. 4:04-cv-00723-Y (ECF)

NOTICE OF PENDENCY AND PROPOSED SETTLEMENT OF CLASS ACTION

EXHIBIT A-1

PLEASE READ THIS NOTICE CAREFULLY AND IN ITS ENTIRETY. YOUR RIGHTS MAY BE AFFECTED BY PROCEEDINGS IN THIS LITIGATION. PLEASE NOTE THAT IF YOU ARE A SETTLEMENT CLASS MEMBER, YOU MAY BE ENTITLED TO SHARE IN THE PROCEEDS OF THE SETTLEMENT DESCRIBED IN THIS NOTICE. TO CLAIM YOUR SHARE OF THIS FUND, YOU MUST SUBMIT A VALID PROOF OF CLAIM POSTMARKED ON OR BEFORE _____________, 2007.

This Notice has been sent to you pursuant to Rule 23 of the Federal Rules of Civil Procedure and an Order of the United States District Court for the Northern District of Texas, Fort Worth Division (the “Court”). The purpose of this Notice is to inform you of the proposed settlement of this class action litigation and of the hearing to be held by the Court to consider the fairness, reasonableness, and adequacy of the settlement. This Notice describes the rights you may have in connection with the settlement and what steps you may take in relation to the settlement and this class action litigation.

The proposed settlement creates a fund in the amount of $4,000,000 in cash and will include interest that accrues on the fund prior to distribution (the “Settlement Fund”). Based on Lead Counsel’s estimate of the number of shares entitled to participate in the settlement and the anticipated number of claims to be submitted by Settlement Class Members, the average distribution per share would be approximately $0.44 before deduction of Court-approved fees and expenses. However, your actual recovery from this fund will depend on a number of variables, including the number of claimants, the number of shares you purchased, the expense of administering the claims process, and the timing of your purchases and sales, if any.
Lead Plaintiff and Defendants do not agree on the average amount of damages per share that would be recoverable if Lead Plaintiff were to have prevailed on each claim asserted. The issues on which the parties disagree include: (1) the appropriate economic model for determining the amount by which Gainsco stock was allegedly artificially inflated (if at all) during the Class Period; (2) the amount by which Gainsco stock was allegedly artificially inflated (if at all) during the Class Period; (3) the effect of various market forces influencing the trading price of Gainsco stock at various times during the Class Period; (4) the extent to which external factors, such as general market conditions, influenced the trading price of Gainsco stock at various times during the Class Period; (5) the extent to which the various matters that Lead Plaintiff alleged were materially false or misleading influenced (if at all) the trading price of Gainsco stock at various times during the Class Period; (6) the extent to which the various allegedly adverse material facts that Lead Plaintiff alleged were omitted influenced (if at all) the trading price of Gainsco stock at various times during the Class Period; and (7) whether the statements made or facts allegedly omitted were false, material or otherwise actionable under the federal securities laws.

The Lead Plaintiff believes that the proposed settlement is a good recovery and is in the best interests of the Settlement Class. Because of the risks associated with continuing to litigate and proceeding to trial, there was a danger that Lead Plaintiff would not have prevailed on any of their claims, in which case the Settlement Class would receive nothing. In addition, the amount of damages recoverable by the Settlement Class was and is challenged by Defendants. Recoverable damages in this case are limited to losses caused by conduct actionable under applicable law and, had the Litigation gone to trial, Defendants intended to assert that all or most of the losses of Settlement Class Members were caused by non-actionable market, industry or general economic factors. Defendants would also assert that throughout the Class Period the uncertainties and risks associated with Gainsco’s business and financial condition were fully and adequately disclosed.
Lead Counsel have not received any payment for their services in conducting this Litigation on behalf of the Lead Plaintiff and the Members of the Settlement Class, nor have they been reimbursed for their out-of-pocket expenditures. If the settlement is approved by the Court, counsel for the Lead Plaintiff will apply to the Court for attorneys’ fees of 30% of the settlement proceeds and reimbursement of out-of-pocket expenses not to exceed $150,000, both to be paid from the Settlement Fund. If the amount requested by counsel is approved by the Court, the average cost per share would be $0.15.

This Notice is not an expression of any opinion by the Court about the merits of any of the claims or defenses asserted by any party in this Litigation or the fairness or adequacy of the proposed settlement.

For further information regarding this settlement you may contact: Rick Nelson, Lerach Coughlin Stoia Geller Rudman & Robbins LLP, 655 West Broadway, Suite 1900, San Diego, California, 92101, Telephone: (800) 449-4900. Please do not call any representative of Gainsco or the Court.

I. NOTICE OF HEARING ON PROPOSED SETTLEMENT

A settlement hearing (the “Settlement Hearing”) will be held on __________, 2006, at __:__ __.m., before the Honorable Terry R. Means, United States District Judge, at the United States District Court for the Northern District of Texas, Fort Worth Division, United States Courthouse, 501 West 10th Street, Room 201, Fort Worth, Texas. The purpose of the Settlement Hearing will be to determine: (1) whether the settlement consisting of $4,000,000 in cash plus accrued interest should be approved as fair, just, reasonable, and adequate to each of the parties; (2) whether the proposed plan to distribute the settlement proceeds (the “Plan of Allocation”) is fair, just, reasonable, and adequate; (3) whether the application by Lead Counsel for an award of attorneys’ fees and reimbursement of expenses should be approved and the expenses of Lead Plaintiff reimbursed; and
(4) whether the Litigation should be dismissed with prejudice. The Court may adjourn or continue
the Settlement Hearing without further notice to the Settlement Class.

II. DEFINITIONS USED IN THIS NOTICE

1. “Authorized Claimant” means any Settlement Class Member whose claim for
recovery has been allowed pursuant to the terms of the Stipulation.

2. “Claimant” means any Settlement Class Member who files a Proof of Claim in such
form and manner, and within such time, as the Court shall prescribe.

3. “Claims Administrator” means the firm of Gilardi & Co. LLC, which shall administer
the settlement.


5. “Lead Plaintiff” means David Varney.

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

7. “Related Parties” means each of the Defendants and each of their past or present
directors, officers, employees, partners, members, principals, agents, insurers, co-insurers, reinsurers,
controlling shareholders, attorneys, accountants or auditors, banks or investment banks,
underwriters, associates, personal or legal representatives, predecessors, successors, parents,
subsidiaries, divisions, joint ventures, assigns, spouses, heirs, related or affiliated entities, any entity
in which a Defendant has a controlling interest, any members of their immediate families, or any
trust of which any Defendant is the settlor or which is for the benefit of any Defendant and/or
member(s) of his family.
8. “Released Claims” shall collectively mean all claims (including Unknown Claims as defined below), demands, rights, liabilities and causes of action of every nature and description whatsoever, known or unknown, whether or not concealed or hidden, asserted or that might have been asserted in any forum, including, without limitation, claims for negligence, gross negligence, breach of duty of care and/or breach of duty of loyalty, fraud, breach of fiduciary duty, or violations of any state or federal statutes, rules or regulations, by the Lead Plaintiff or Settlement Class Member against the Released Persons arising out of, based upon or related to both the purchase of Gainsco common stock by any Settlement Class Member during the class period and the facts, transactions, events, occurrences, acts, disclosures, statements, omissions or failures to act which were or could have been alleged in the Litigation.


10. “Settlement Class” means for purposes of this settlement only, all Persons who purchased the common stock of Gainsco between November 17, 1999 through and including February 7, 2002, excluding the Defendants and members of their immediate families, any entity in which a Defendant has a controlling interest, and the legal representatives, heirs, successors, or assigns of any such excluded party. Also excluded from the Settlement Class are those Persons who submit a valid request to be excluded from the Settlement Class pursuant to this Notice.

11. “Settlement Class Member” or “Member of the Settlement Class” mean a Person who falls within the definition of the Settlement Class as set forth above.

12. “Settling Parties” means, collectively, each of the Defendants and the Lead Plaintiff on behalf of himself and the Members of the Settlement Class.

13. “Stipulation” means the Stipulation of Settlement executed by the parties to the Litigation, dated as of October 31, 2006.
14. “Unknown Claims” means any Released Claims which the Lead Plaintiff or Settlement Class Member does not know or suspect to exist in his, her or its favor at the time of the release of the Released Persons which, if known by him, her or it, might have affected his, her or its settlement with and release of the Released Persons, or might have affected his, her or its decision not to object to this settlement. With respect to any and all Released Claims, the Settling Parties stipulate and agree that, upon the Effective Date, the Lead Plaintiff shall expressly and each of the Settlement Class Members shall be deemed to have, and by operation of the Judgment shall have, expressly waived 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.

The Lead Plaintiff shall expressly and each of the Settlement Class Members 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, which is similar, comparable and/or equivalent to California Civil Code §1542. The Lead Plaintiff or Settlement Class Members 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, but the Lead Plaintiff shall expressly and each Settlement Class Member, 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, 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 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 Lead Plaintiff acknowledges, and the Settlement Class
Members shall be deemed by operation of the Judgment 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.

III. THE LITIGATION

On or after April 8, 2003, the following class actions were filed in the United States District Court for the Southern District of Florida:

1. *Culp v. Gainsco, Inc., et al.*, Case No. 03-20854
2. *Swoops v. Gainsco, Inc., et al.*, Case No. 03-21069

These cases (the “Litigation”) were consolidated for all purposes by Order dated October 7, 2003. On October 16, 2003, David Varney was appointed as Lead Plaintiff under §21D(a)(3)(B) of the Securities Exchange Act of 1934 (the “Exchange Act”) and Lead Plaintiff’s selection of Lead Counsel, pursuant to §21D(a)(3)(B)(v) of the Exchange Act was approved.

On March 29, 2004, Lead Plaintiff filed a Second Consolidated Amended Class Action Complaint asserting claims under §§10(b) and 20(a) of the Exchange Act and Rule 10b-5 thereunder (“Complaint”) naming as defendants Gainsco, Inc., Glenn W. Anderson and Daniel J. Coots. The Complaint alleged that the Company failed to disclose financial problems in its Tri-State subsidiary and improperly carried as a current asset goodwill attributable to the Tri-State acquisition. Thereafter, Defendants filed a motion to transfer venue and a motion to dismiss. On September 22, 2004, the United States District Court for the Southern District of Florida issued an order declining to rule on the motion to dismiss and transferring the Litigation to the Northern District of Texas Fort Worth Division. The Litigation was transferred to the Court on October 1, 2004. On January 31, 2005 Defendants filed a motion to dismiss the Complaint. On September 19, 2005, the Court issued an Order Denying Defendants’ Motion to Dismiss. Thereafter, the parties engaged in formal discovery. On April 12, 2006, Lead Plaintiff filed a Motion for Class Certification which
Defendants opposed. The Motion for Class Certification was pending at the time the parties reached an agreement-in-principle to settle this Litigation.

On May 12, 2006, the Court issued an Order of Referral for Mediation in October 2006. The parties agreed to participate in mediation with Christopher Nolland. The mediation was scheduled for July 13, 2006; however, prior to the Mediation, the parties reached an agreement-in-principle to settle the Litigation.

IV. CLAIMS OF THE LEAD PLAINTIFF AND BENEFITS OF SETTLEMENT

The Lead Plaintiff believes that the claims asserted in the Litigation have merit and that the evidence developed to date supports the claims. However, counsel for the Lead Plaintiff recognize and acknowledge the expense and length of continued proceedings necessary to prosecute the Litigation against the Defendants through trial and possible appeals. Counsel for the Lead Plaintiff also have taken into account the uncertain outcome and the risk of any litigation, especially in complex actions such as this Litigation, as well as the difficulties and delays inherent in such litigation. Counsel for the Lead Plaintiff also are mindful of the inherent problems of proof under and possible defenses to the federal securities law violations asserted in the Litigation. Counsel for the Lead Plaintiff believe that the settlement set forth in the Stipulation confers substantial benefits upon the Settlement Class. Based on their evaluation, counsel for the Lead Plaintiff have determined that the settlement set forth in the Stipulation is in the best interests of the Lead Plaintiff and the Settlement Class.

V. DEFENDANTS’ STATEMENT AND DENIALS OF WRONGDOING AND LIABILITY

The Defendants have denied and continue to deny each and all of the claims and contentions alleged by the Lead Plaintiff in the Litigation. The Defendants have denied expressly and continue to deny 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 Litigation. The Defendants also have denied and continue to deny, *inter alia*, the allegations that the Lead Plaintiff or the Settlement Class have suffered damage, that the price of Gainsco common stock was artificially inflated by reasons of alleged misrepresentations, non-disclosures or otherwise, or that the Lead Plaintiff or the Settlement Class were harmed by the conduct alleged in the Litigation.

Nonetheless, the Defendants have concluded that further litigation would be protracted and expensive, and that it is desirable that the Litigation be fully and finally settled in the manner and upon the terms and conditions set forth in the Stipulation. The Defendants also have taken into account the uncertainty and risks inherent in any litigation, especially in complex cases like this Litigation. The Defendants have, therefore, determined that it is desirable and beneficial to them that the Litigation be settled in the manner and upon the terms and conditions set forth in the Stipulation.

VI. **TERMS OF THE PROPOSED SETTLEMENT**

The Settlement Fund consists of $4,000,000 in cash plus interest which will be paid into an escrow account, pursuant to the terms of the Stipulation. A portion of the settlement proceeds will be used for certain administrative expenses, including costs of printing and mailing this Notice, the cost of publishing a newspaper notice, payment of any taxes assessed against the Settlement Fund and costs associated with the processing of claims submitted. In addition, as explained below, a portion of the Settlement Fund may be awarded by the Court to counsel for Lead Plaintiff as attorneys’ fees and for reimbursement of out-of-pocket expenses. The balance of the Settlement Fund (the “Net Settlement Fund”) will be distributed according to the Plan of Allocation described below to Settlement Class Members who submit valid and timely Proof of Claim forms.
VII. PLAN OF ALLOCATION

The Net Settlement Fund will be distributed to Settlement Class Members who submit valid, timely Proof of Claim forms ("Authorized Claimants") under the Plan of Allocation described below. The Plan of Allocation provides that you will be eligible to participate in the distribution of the Net Settlement Fund only if you have a net loss on all transactions in Gainsco common stock during the Class Period.

For purposes of determining the amount an Authorized Claimant may recover under the Plan of Allocation, Lead Plaintiff’s counsel have consulted with their damage consultants and the Plan of Allocation reflects an assessment of the damages that could have been recovered as well as Lead Plaintiff’s counsel’s assessment of the likelihood of establishing liability for various periods of the Settlement Class.

To the extent there are sufficient funds in the Net Settlement Fund, each Authorized Claimant will receive an amount equal to the Authorized Claimant’s claim, as defined below. If, however, the amount in the Net Settlement Fund is not sufficient to permit payment of the total claim of each Authorized Claimant, then each Authorized Claimant shall be paid the percentage of the Net Settlement Fund that each Authorized Claimant’s claim bears to the total of the claims of all Authorized Claimants. Payment in this manner shall be deemed conclusive against all Authorized Claimants.

The total of all profits shall be subtracted from the total of all losses from transactions during the Class Period to determine if a Settlement Class Member has a claim. Only if a Settlement Class Member had a net loss, after all profits from transactions in Gainsco stock during the Class Period are subtracted from all losses, will such Settlement Class Member be eligible to receive a distribution from the Net Settlement Fund.
A claim will be calculated as follows:

Note: For the purposes of calculating the recovery per share, the purchase price per share (“Purchase Price”) and the sales price per share (“Sales Price”) are defined as the actual per share transaction price net of any commissions paid.

1. For shares of Gainsco common stock purchased on November 17, 1999 through February 26, 2001, and
   a) sold prior to February 27, 2001, the claim per share is $0;
   b) sold from February 27, 2001 through February 6, 2002, the claim per share is the lesser of: (i) the Purchase Price less the Sales Price, or (ii) $1.80 (February 27, 2001 price decline).
   c) retained at the end of February 7, 2002, the claim per share is the lesser of: (i) the Purchase Price less $0.65 (closing price on February 7, 2002), or (ii) $2.33 (February 27, 2001 & February 7, 2002 price declines).

2. For shares of Gainsco common stock that were purchased on February 27, 2001 through February 7, 2002, and
   a) sold prior to February 7, 2002, the claim per share is $0;
   b) retained or sold by the end of February 7, 2002, the claim per share is the lesser of: (i) the Purchase Price less $0.65 (closing price on February 7, 2002), or (ii) $0.53 (February 7, 2002 price decline).

The date of purchase or sale is the “contract” or “trade” date as distinguished from the “settlement” date. The determination of the price paid per share and the price received per share, shall be exclusive of all commissions, taxes, fees and charges.

For Settlement Class Members who held shares at the beginning of an applicable period or made multiple purchases or sales during the Class Period, the first-in, first-out (“FIFO”) method will
be applied to such holdings, purchases and sales for purposes of calculating a claim. Under the FIFO method, sales of shares during the Class Period will be matched, in chronological order, first against shares held at the beginning of the Class Period. The remaining sales of shares during the Class Period will then be matched, in chronological order, against shares purchased during the Class Period.

A Settlement Class Member will be eligible to receive a distribution from the Net Settlement Fund only if such Settlement Class Member had a net loss, after all profits from transactions in Gainsco common stock during the Class Period are subtracted from all losses. However, the proceeds from sales of shares which have been matched against shares held at the beginning of the Class Period will not be used in the calculation of such net loss.

The Court has reserved jurisdiction to allow, disallow or adjust the claim of any Settlement Class Member on equitable grounds.

VIII. ORDER CERTIFYING A CLASS FOR PURPOSES OF SETTLEMENT

On ____________, 2006, the Court certified a class for settlement purposes. The Settlement Class is defined above.

IX. PARTICIPATION IN THE CLASS

If you fall within the definition of the Settlement Class, you are a Settlement Class Member unless you elect to be excluded from the Settlement Class pursuant to this Notice. If you do not request to be excluded from the Settlement Class, you will be bound by any judgment entered with respect to the settlement in the Litigation whether or not you file a Proof of Claim and Release.

If you are a Settlement Class Member, you need do nothing (other than timely file a Proof of Claim and Release if you wish to participate in the distribution of the Net Settlement Fund). Your interests will be represented by Plaintiffs’ Settlement Counsel. If you choose, you may enter an appearance individually or through your own counsel at your own expense.
TO PARTICIPATE IN THE DISTRIBUTION OF THE NET SETTLEMENT FUND, YOU MUST TIMELY COMPLETE AND RETURN THE PROOF OF CLAIM AND RELEASE FORM THAT ACCOMPANIES THIS NOTICE. The Proof of Claim and Release must be postmarked on or before ________, 2007, and delivered to the Claims Administrator at the address below. Unless the Court orders otherwise, if you do not timely submit a valid Proof of Claim and Release, you will be barred from receiving any payments from the Net Settlement Fund, but will in all other respects be bound by the provisions of the Stipulation and the Judgment.

X. EXCLUSION FROM THE CLASS

You may request to be excluded from the Settlement Class. To do so, you must mail a written request stating that you wish to be excluded from the Settlement Class to:

Gainsco Securities Litigation
Claims Administrator
c/o Gilardi & Co. LLC
P.O. Box 5100
Larkspur, CA 94977-5100

The request for exclusion must state: (1) your name, address, and telephone number; and (2) all purchases and sales of Gainsco stock made during the Class Period, including the dates of each purchase or sale and the number of shares of Gainsco stock purchased or sold. YOUR EXCLUSION REQUEST MUST BE POSTMARKED ON OR BEFORE _______________, 2006. If you submit a valid and timely request for exclusion, you shall have no rights under the settlement, shall not share in the distribution of the Net Settlement Fund, and shall not be bound by the Stipulation or the Judgment.

XI. DISMISSAL AND RELEASES

If the proposed settlement is approved, the Court will enter a Final Judgment and Order of Dismissal with Prejudice (the “Judgment”). The Judgment will dismiss the Released Claims with prejudice as to all Defendants.
The Judgment will provide that all Settlement Class Members who have not previously validly and timely requested to be excluded from the Settlement Class shall be deemed to have released and forever discharged all Released Claims (to the extent Members of the Settlement Class have such claims) against all Released Persons.

XII. APPLICATION FOR ATTORNEYS’ FEES AND EXPENSES

At the Settlement Hearing, counsel for the Lead Plaintiff will request the Court to award attorneys’ fees of 30% of the Settlement Fund, plus reimbursement of the expenses, not to exceed $150,000, which were advanced in connection with the Litigation, plus interest thereon. The Lead Plaintiff will seek reimbursement of his expenses incurred in representing the Settlement Class in the Litigation in an amount not to exceed $15,000. Settlement Class Members are not personally liable for any such fees, expenses or compensation.

To date, Lead Counsel have not received any payment for their services in conducting this Litigation on behalf of Lead Plaintiff and the Members of the Settlement Class, nor have counsel been reimbursed for their out-of-pocket expenses. The fee requested by Lead Counsel would compensate counsel for their efforts in achieving the Settlement Fund for the benefit of the Settlement Class, and for their risk in undertaking this representation on a contingency basis. The fee requested is within the range of fees awarded to plaintiffs’ counsel under similar circumstances in litigation of this type.

XIII. CONDITIONS FOR SETTLEMENT

The settlement is conditioned upon the occurrence of certain events described in the Stipulation. Those events include, among other things: (1) entry of the Judgment by the Court, as provided for in the Stipulation; and (2) expiration of the time to appeal from or alter or amend the Judgment. If, for any reason, any one of the conditions described in the Stipulation is not met, the
Stipulation might be terminated and, if terminated, will become null and void, and the parties to the Stipulation will be restored to their respective positions as of July 12, 2006.

XIV. THE RIGHT TO BE HEARD AT THE HEARING

Any Settlement Class Member who has not validly and timely requested to be excluded from the Settlement Class, and who objects to any aspect of the settlement, the Plan of Allocation, or the application for attorneys’ fees and expenses or reimbursement of the Lead Plaintiff’s expenses, may appear and be heard at the Settlement Hearing. Any such Person must submit and serve a written notice of objection, to be received on or before __________, 2006, by each of the following:

CLERK OF THE COURT
UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF TEXAS
FORT WORTH DIVISION
501 West 10th Street, Room 310
Fort Worth, TX  76102-3673

LERACH COUGHLIN STOIA GELLER
RUDMAN & ROBBINS LLP
JEFFREY D. LIGHT
655 West Broadway, Suite 1900
San Diego, CA  92101

VIANALE & VIANALE LLP
JULIE PRAG VIANALE
2499 Glades Road, Suite 112
Boca Raton, FL  33431

Lead Counsel for Plaintiffs

JACKSON WALKER L.L.P.
MARK T. JOSEPHS
901 Main Street
Suite 6000
Dallas, TX  75202

Counsel for Defendants

The notice of objection must demonstrate the objecting Person’s membership in the Settlement Class, including the number of shares of Gainsco common stock purchased and sold during the Class Period, and contain a statement of the reasons for objection. Only Settlement Class Members who
have submitted written notices of objection in this manner will be entitled to be heard at the Settlement Hearing, unless the Court orders otherwise.

XV. SPECIAL NOTICE TO NOMINEES

If you hold or held any Gainsco common stock purchased during the Class Period as nominee for a beneficial owner, then, within ten (10) days after you receive this Notice, you must either:

1. send a copy of this Notice and the Proof of Claim by first class mail to all such Persons; or
2. provide a list of the names and addresses of such Persons to the Claims Administrator:

   *Gainsco Securities Litigation*
   Claims Administrator
c/o Gilardi & Co. LLC
P.O. Box 5100
Larkspur, CA 94977-5100

If you choose to mail the Notice and Proof of Claim yourself, you may obtain from the Claims Administrator (without cost to you) as many additional copies of these documents as you will need to complete the mailing.

Regardless of whether you choose to complete the mailing yourself or elect to have the mailing performed for you, you may obtain reimbursement for, or advancement of, reasonable administrative costs actually incurred or expected to be incurred in connection with forwarding the Notice and Proof of Claim and which would not have been incurred but for the obligation to forward the Notice and Proof of Claim, upon submission of appropriate documentation to the Claims Administrator.

XVI. EXAMINATION OF PAPERS

This Notice is a summary and does not describe all of the details of the Stipulation. For full details of the matters discussed in this Notice, you may review the Stipulation filed with the Court, which may be inspected during business hours, at the office of the Clerk of the Court, United States
District Court, Northern District of Texas, Fort Worth Division, United States Courthouse, 501 West 10th Street, Room 310, Fort Worth, Texas, 76102-3673.

If you have any questions about the settlement of the Litigation, you may contact Plaintiffs’ Settlement Counsel either in writing or by telephone:

LERACH COUGHLIN STOIA GELLER
RUDMAN & ROBBINS LLP
JEFFREY D. LIGHT
655 West Broadway, Suite 1900
San Diego, CA  92101
(800) 449-4900

VIANALE & VIANALE LLP
JULIE PRAG VIANALE
2499 Glades Road, Suite 112
Boca Raton, FL  33431
(561) 392-4750

Lead Counsel for Plaintiffs

DO NOT TELEPHONE THE COURT REGARDING THIS NOTICE.

DATED: _____________ 2006

BY ORDER OF THE COURT
UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF TEXAS
FORT WORTH DIVISION
UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF TEXAS
FORT WORTH DIVISION

EARL CULP, On Behalf of Himself and All Others Similarly Situated,

Plaintiff,

vs.

GAINSCO, INC., et al.,

Defendants.

Civil Action No. 4:04-cv-00723-Y (ECF)

PROOF OF CLAIM AND RELEASE

EXHIBIT A-2
I. GENERAL INSTRUCTIONS

1. To recover as a Member of the Settlement Class based on your claims in a class action entitled *Culp v. Gainsco, Inc., et al.*, Civil Action 4:04-cv-00723-Y (the “Litigation”), you must complete and, on page ___ hereof, sign this Proof of Claim and Release. If you fail to file a properly addressed (as set forth in paragraph 3 below) Proof of Claim and Release, your claim may be rejected and you may be precluded from any recovery from the Net Settlement Fund created in connection with the proposed settlement of the Litigation.

2. Submission of this Proof of Claim and Release, however, does not assure that you will share in the proceeds of settlement in the Litigation.

3. **YOU MUST MAIL YOUR COMPLETED AND SIGNED PROOF OF CLAIM AND RELEASE POSTMARKED ON OR BEFORE __________, 2007, ADDRESSED AS FOLLOWS:**

   *Gainsco Securities Litigation*
   Claims Administrator
   c/o Gilardi & Co. LLC
   P.O. Box 5100
   Larkspur, CA 94977-5100

4. If you are NOT a Member of the Settlement Class (as defined in the Notice of Pendency and Proposed Settlement of Class Action), DO NOT submit a Proof of Claim and Release form.

5. If you are a Member of the Settlement Class and you have not timely requested exclusion, you are bound by the terms of any judgment entered in the Litigation, WHETHER OR NOT YOU SUBMIT A PROOF OF CLAIM AND RELEASE FORM.

II. DEFINITIONS


2. “Related Parties” means each of the Defendants and each of their past or present directors, officers, employees, partners, members, principals, agents, insurers, co-insurers, reinsurers,
controlling shareholders, attorneys, accountants or auditors, banks or investment banks, underwriters, associates, personal or legal representatives, predecessors, successors, parents, subsidiaries, divisions, joint ventures, assigns, spouses, heirs, related or affiliated entities, any entity in which a Defendant has a controlling interest, any members of their immediate families, or any trust of which any Defendant is the settlor or which is for the benefit of any Defendant and/or member(s) of his family.

3. “Released Persons” means each and all of the Defendants and their Related Parties.

III. CLAIMANT IDENTIFICATION

1. If you purchased Gainsco common stock and held the certificate(s) in your name, you are the beneficial purchaser as well as the record purchaser. If, however, you purchased Gainsco common stock and the certificate(s) were registered in the name of a third party, such as a nominee or brokerage firm, you are the beneficial purchaser and the third party is the record purchaser.

2. Use Part I of this form entitled “Claimant Identification” to identify each purchaser of record (“nominee”), if different from the beneficial purchaser of Gainsco common stock which forms the basis of this claim. THIS CLAIM MUST BE FILED BY THE ACTUAL BENEFICIAL PURCHASER OR PURCHASERS, OR THE LEGAL REPRESENTATIVE OF SUCH PURCHASER OR PURCHASERS, OF THE GAINSCO COMMON STOCK UPON WHICH THIS CLAIM IS BASED.

3. All joint purchasers must sign this claim. Executors, administrators, guardians, conservators and trustees must complete and sign this claim on behalf of Persons represented by them and their authority must accompany this claim and their titles or capacities must be stated. The Social Security (or taxpayer identification) number and telephone number of the beneficial owner may be used in verifying the claim. Failure to provide the foregoing information could delay verification of your claim or result in rejection of the claim.
IV. CLAIM FORM

1. Use Part II of this form entitled Schedule of Transactions in Gainsco Common Stock to supply all required details of your transaction(s) in Gainsco common stock. If you need more space or additional schedules, attach separate sheets giving all of the required information in substantially the same form. Sign and print or type your name on each additional sheet.

2. On the schedules, provide all of the requested information with respect to all of your purchases and all of your sales of Gainsco common stock which took place at any time between November 17, 1999 through February 7, 2002, inclusive (the “Class Period”), whether such transactions resulted in a profit or a loss. Failure to report all such transactions may result in the rejection of your claim.

3. List each transaction in the Class Period separately and in chronological order, by trade date, beginning with the earliest. You must accurately provide the month, day and year of each transaction you list.

4. The date of covering a “short sale” is deemed to be the date of purchase of Gainsco common stock. The date of a “short sale” is deemed to be the date of sale of Gainsco common stock.

5. Broker confirmations or other documentation of your transactions in Gainsco common stock should be attached to your claim. Failure to provide this documentation could delay verification of your claim or result in rejection of your claim.
UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF TEXAS
FORT WORTH DIVISION

Culp v. Gainsco, Inc., et al.
Civil Action 4:04-cv-00723-Y

PROOF OF CLAIM

Must be Postmarked No Later Than:
____________, 2007

Please Type or Print

PART I: CLAIMANT IDENTIFICATION

Beneficial Owner’s Name (First, Middle, Last)

Street Address

City State or Province

Zip Code or Postal Code Country

Social Security Number or Taxpayer Identification Number

Individual Corporation/Other

Area Code Telephone Number (work)

Area Code Telephone Number (home)

Record Owner’s Name (if different from beneficial owner listed above)
PART II: SCHEDULE OF TRANSACTIONS IN GAINSICO COMMON STOCK

A. Number of shares of Gainsco common stock held at the beginning of trading on November 17, 1999: ________________________

B. Purchases (November 17, 1999 – February 7, 2002, inclusive) of Gainsco common stock:

<table>
<thead>
<tr>
<th>Trade Date</th>
<th>Number of Shares</th>
<th>Total Purchase</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mo. Day Year</td>
<td>Purchased</td>
<td>Price</td>
</tr>
<tr>
<td>1. __________</td>
<td>1. __________</td>
<td>1. __________</td>
</tr>
<tr>
<td>2. __________</td>
<td>2. __________</td>
<td>2. __________</td>
</tr>
<tr>
<td>3. __________</td>
<td>3. __________</td>
<td>3. __________</td>
</tr>
</tbody>
</table>

IMPORTANT: Identify by number listed above all purchases in which you covered a “short sale”: ________________________

C. Sales (November 17, 1999 – February 7, 2002, inclusive) of Gainsco common stock:

<table>
<thead>
<tr>
<th>Trade Date</th>
<th>Number of Shares</th>
<th>Total Sales</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mo. Day Year</td>
<td>Sold</td>
<td>Price</td>
</tr>
<tr>
<td>1. __________</td>
<td>1. __________</td>
<td>1. __________</td>
</tr>
<tr>
<td>2. __________</td>
<td>2. __________</td>
<td>2. __________</td>
</tr>
<tr>
<td>3. __________</td>
<td>3. __________</td>
<td>3. __________</td>
</tr>
</tbody>
</table>

D. Number of shares of Gainsco common stock held at close of trading on February 7, 2002: ________________________

If you require additional space, attach extra schedules in the same format as above. Sign and print your name on each additional page.

YOU MUST READ THE RELEASE AND YOUR SIGNATURE ON PAGE __ WILL CONSTITUTE YOUR ACKNOWLEDGMENT OF THE RELEASE.
V. SUBMISSION TO JURISDICTION OF COURT AND ACKNOWLEDGMENTS

I (We) submit this Proof of Claim and Release under the terms of the Stipulation of Settlement described in the Notice. I (We) also submit to the jurisdiction of the United States District Court for the Northern District of Texas, Fort Worth Division, with respect to my (our) claim as a Settlement Class Member and for purposes of enforcing the release set forth herein. I (We) further acknowledge that I am (we are) bound by and subject to the terms of any judgment that may be entered in the Litigation. I (We) agree to furnish additional information to the Claims Administrator or Plaintiffs’ Settlement Counsel to support this claim if required to do so. I (We) have not submitted any other claim covering the same purchases of Gainsco common stock during the Class Period and know of no other Person having done so on my (our) behalf.

VI. RELEASE

1. I (We) hereby acknowledge full and complete satisfaction of, and do hereby fully, finally and forever settle, release and discharge from the Released Claims, each and all of the Released Persons, including each of the Defendants and each of their past or present directors, officers, employees, partners, members, principals, agents, insurers, co-insurers, reinsurers, controlling shareholders, attorneys, accountants or auditors, banks or investment banks, underwriters, associates, personal or legal representatives, predecessors, successors, parents, subsidiaries, divisions, joint ventures, assigns, spouses, heirs, related or affiliated entities, any entity in which a Defendant has a controlling interest, any members of their immediate families, or any trust of which any Defendant is the settlor or which is for the benefit of any Defendant and/or member(s) of his family.

2. “Released Claims” shall collectively mean all claims (including Unknown Claims as defined below), demands, rights, liabilities and causes of action of every nature and description whatsoever, known or unknown, whether or not concealed or hidden, asserted or that might have been asserted in any forum, including, without limitation, claims for negligence, gross negligence,
breach of duty of care and/or breach of duty of loyalty, fraud, breach of fiduciary duty, or violations of any state or federal statutes, rules or regulations, by the Lead Plaintiff or Settlement Class Member against the Released Persons arising out of, based upon or related to both the purchase of Gainsco common stock by any Settlement Class Member during the Class Period and the facts, transactions, events, occurrences, acts, disclosures, statements, omissions or failures to act which were or could have been alleged in the Litigation.

3. “Unknown Claims” means any Released Claims which the Lead Plaintiff or Settlement Class Member does not know or suspect to exist in his, her or its favor at the time of the release of the Released Persons which, if known by him, her or it, might have affected his, her or its settlement with and release of the Released Persons, or might have affected his, her or its decision not to object to this settlement. With respect to any and all Released Claims, the Settling Parties stipulate and agree that, upon the Effective Date, the Lead Plaintiff shall expressly and each of the Settlement Class Members shall be deemed to have, and by operation of the Judgment shall have, expressly waived 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.

The Lead Plaintiff shall expressly and each of the Settlement Class Members 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, which is similar, comparable and/or equivalent to California Civil Code §1542. The Lead Plaintiff or Settlement Class Members 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, but the Lead Plaintiff shall expressly and each Settlement Class Member, 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, 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 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 Lead Plaintiff acknowledge, and the Settlement Class Members shall be deemed by operation of the Judgment 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.

This release shall be of no force or effect unless and until the Court approves the Stipulation of Settlement and the Stipulation of Settlement becomes effective on the Effective Date (as defined in the Stipulation of Settlement).

I (We) hereby warrant and represent that I (we) have not assigned or transferred or purported to assign or transfer, voluntarily or involuntarily, any matter released pursuant to this release or any other part or portion thereof.

I (We) hereby warrant and represent that I (we) have included information about all of my (our) transactions in Gainsco common stock which occurred during the Class Period as well as the number of shares of Gainsco common stock held by me (us) at the beginning of trading on November 17, 1999 and close of trading on February 7, 2002.
SUBSTITUTE FORM W-9

Request for Taxpayer Identification Number (“TIN”) and Certification

PART I

NAME: ____________________________________________

Check appropriate box:

☐ Individual/Sole Proprietor          ☐ Pension Plan
☐ Corporation                       ☐ Partnership          ☐ Trust
☐ IRA                               ☐ Other

Enter TIN on appropriate line.

For individuals, this is your social security number (“SSN”).

For sole proprietors, you must show your individual name, but you may also enter your business or “doing business as” name. You may enter either your SSN or your Employer Identification Number (“EIN”).

For other entities, it is your EIN.

______ - ______ - ______
Social Security Number or ______ - ______ - ______ - ______
Employer Identification Number

PART II

For Payees Exempt from Backup Withholding

If you are exempt from backup withholding, enter your correct TIN in Part I and write “exempt” on the following line: ________________________________.

PART III

Certification

UNDER THE PENALTY OF PERJURY, I (WE) CERTIFY THAT:

1. The number shown on this form is my correct TIN; and

2. I (We) certify that I am (we are) NOT subject to backup withholding under the provisions of Section 3406 (a)(1)(C) of the Internal Revenue Code because: (a) I am (we are) exempt from backup withholding; or (b) I (we) have not been notified by the Internal Revenue Service that I am (we are) subject to backup withholding as a result of a failure to report all interest or dividends; or (c) the Internal Revenue Service has notified me (us) that I am (we are) no longer subject to backup withholding.
NOTE: If you have been notified by the Internal Revenue Service that you are subject to backup withholding, you must cross out Item 2 above.

SEE ENCLOSED FORM W-9 INSTRUCTIONS

The Internal Revenue Service does not require your consent to any provision of this document other than the certification required to avoid backup withholding.

I declare under penalty of perjury under the laws of the United States of America that the foregoing information supplied by the undersigned is true and correct.

Executed this __________ day of ____________________,
(Month/Year)
in ____________________, ____________________________.
(City) (State/Country)

________________________________________
(Sign your name here)

________________________________________
(Type or print your name here)

________________________________________
(Capacity of person(s) signing,
e.g., Beneficial Purchaser,
Executor or Administrator)

ACCURATE CLAIMS PROCESSING TAKES A SIGNIFICANT AMOUNT OF TIME. THANK YOU FOR YOUR PATIENCE.

Reminder Checklist:

1. Please sign the above release and declaration.

2. Remember to attach supporting documentation, if available.

3. Do not send original stock certificates.

4. Keep a copy of your claim form for your records.

5. If you desire an acknowledgment of receipt of your claim form, please send it Certified Mail, Return Receipt Requested.

6. If you move, please send us your new address.
UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF TEXAS
FORT WORTH DIVISION

EARL CULP, On Behalf of Himself and All Others Similarly Situated,
Plaintiff,

vs.

GAINSCO, INC., et al.,
Defendants.

Civil Action No. 4:04-cv-00723-Y (ECF)

SUMMARY NOTICE

EXHIBIT A-3

YOU ARE HEREBY NOTIFIED, pursuant to an Order of the United States District Court for the Northern District of Texas, Fort Worth Division, that a hearing will be held on __________, 2006, at __:___.m., before the Honorable Terry R. Means, United States District Judge, at the United States District Court for the Northern District of Texas, Fort Worth Division, United States Courthouse, 501 West 10th Street, Room 201, Fort Worth, Texas, 76102-3673, for the purpose of determining: (1) whether the proposed settlement of the claims in the Litigation for the sum of $4,000,000 in cash, plus accrued interest, should be approved by the Court as fair, just, reasonable, and adequate; (2) whether, thereafter, this Litigation should be dismissed with prejudice as set forth in the Stipulation of Settlement dated as of October 31, 2006 (the “Stipulation”); (3) whether the Plan of Allocation is fair, just, reasonable, and adequate and therefore should be approved; and (4) whether the application of Lead Counsel for the payment of attorneys' fees and reimbursement of costs and expenses and the reimbursement of Lead Plaintiff’s expenses incurred in connection with this Litigation should be approved.

If you purchased the common stock of Gainsco during the period beginning November 17, 1999 through and including February 7, 2002, your rights may be affected by the settlement of this Litigation. If you have not received a detailed Notice of Pendency and Proposed Settlement of Class Action and a copy of the Proof of Claim and Release, you may obtain copies by writing to Gainsco Securities Litigation, c/o Gilardi & Co. LLC, P.O. Box 5100, Larkspur, CA 94977-5100 or downloading them at www.gilardi.com. If you are a Settlement Class Member, in order to share in the distribution of the Net Settlement Fund, you must submit a Proof of Claim and Release no later than __________, 2007, establishing that you are entitled to recovery. You will be bound by any judgment rendered in the Litigation whether or not you make a claim.
If you desire to be excluded from the Settlement Class, you must submit a Request for Exclusion postmarked by ____________, 2006, in the manner and form explained in the detailed Notice referred to above. All Members of the Settlement Class who have not requested exclusion from the Settlement Class will be bound by any judgment entered in the Litigation pursuant to the Stipulation.

Any objection to the settlement must be mailed or delivered such that it is received by each of the following no later than ____________, 2006:

CLERK OF THE COURT
UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF TEXAS
FORT WORTH DIVISION
501 West 10th Street, Room 310
Fort Worth, TX  76102-3673

LERACH COUGHLIN STOIA GELLER
RUDMAN & ROBBINS LLP
JEFFREY D. LIGHT
655 West Broadway, Suite 1900
San Diego, CA  92101

VIANALE & VIANALE LLP
JULIE PRAG VIANALE
2499 Glades Road, Suite 112
Boca Raton, FL  33431

Lead Counsel for Plaintiffs

JACKSON WALKER L.L.P.
MARK T. JOSEPHS
901 Main Street
Suite 6000
Dallas, TX  75202

Counsel for Defendants
PLEASE DO NOT CONTACT THE COURT OR THE CLERK'S
OFFICE REGARDING THIS NOTICE.

DATED: ______________ 2006

BY ORDER OF THE COURT
UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF TEXAS
FORT WORTH DIVISION
UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF TEXAS
FORT WORTH DIVISION

EARL CULP, On Behalf of Himself and All Others Similarly Situated,

Plaintiff,

vs.

GAINSCO, INC., et al.,

Defendants.

Civil Action No. 4:04-cv-00723-Y
(ECF)

[PROPOSED] FINAL JUDGMENT AND ORDER OF DISMISSAL WITH PREJUDICE

EXHIBIT B
This matter came before the Court for hearing pursuant to the Order of this Court, dated __________, 2006, on the application of the parties for approval of the settlement set forth in the Stipulation of Settlement dated as of October 31, 2006 (the “Stipulation”). Due and adequate notice complying with Federal Rule of Civil Procedure 23 and the requirements of due process having been given to the Settlement Class as required in said Order, and the Court having considered all papers filed and proceedings had herein and otherwise being fully informed in the premises and good cause appearing therefor, IT IS HEREBY ORDERED, ADJUDGED AND DECREED that:

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

2. This Court has jurisdiction over the subject matter of the Litigation and over all parties to the Litigation, including the Lead Plaintiff, all Members of the Settlement Class, and Defendants.

3. Pursuant to Rule 23 of the Federal Rules of Civil Procedure and for purposes of this Settlement, this Court has previously certified a Settlement Class of all Persons who purchased the common stock of Gainsco between November 17, 1999 through and including February 7, 2002, excluding the Defendants and members of their immediate families, any entity in which a Defendant has a controlling interest, and the legal representatives, heirs, successors, or assigns of any such excluded party. Also excluded from the Settlement Class are those Persons who submitted a valid request to be excluded from the Settlement Class pursuant to the Notice of Pendency and Proposed Settlement of Class Action.

4. Pursuant to Federal Rule of Civil Procedure 23, this Court hereby approves the settlement set forth in the Stipulation and finds that said settlement is, in all respects, fair, just, reasonable and adequate to the Settlement Class and each Member of the Settlement Class.
Accordingly, the settlement embodied in the Stipulation shall be consummated in accordance with the terms and provisions of the Stipulation.

5. Except as to any individual claim of those Persons (identified in Exhibit 1 hereto) who have validly and timely requested exclusion from the Settlement Class, the Litigation and all claims contained therein, as well as all of the Released Claims are dismissed with prejudice as to the Lead Plaintiff and the other Members of the Settlement Class, and as against the Released Persons. The parties are to bear their own costs, except as otherwise provided in the Stipulation.

6. Upon the Effective Date hereof, the Lead Plaintiff and each of the Settlement Class Members shall be deemed to have, and by operation of this Judgment shall have, fully, finally, and forever released, relinquished and discharged all Released Claims against the Released Persons, whether or not such Settlement Class Member executes and delivers a Proof of Claim and Release.

7. All Settlement Class Members are hereby forever barred and enjoined from prosecuting the Released Claims against the Released Persons.

8. Upon the Effective Date hereof, each of the Released Persons shall be deemed to have, and by operation of this Judgment shall have, fully, finally, and forever released, relinquished and discharged each and all of the Settlement Class Members and Plaintiffs’ Counsel from all claims (including Unknown Claims), arising out of, relating to, or in connection with the institution, prosecution, assertion, settlement or resolution of the Litigation or the Released Claims.

9. The Notice of Pendency and Proposed Settlement of Class Action (the “Notice”) given to the Settlement Class was the best notice practicable under the circumstances, including the individual notice to all Members of the Settlement Class who could be identified through reasonable effort. Said Notice provided the best notice practicable under the circumstances of those proceedings and of the matters set forth therein, including the proposed settlement set forth in the
Stipulation, to all Persons entitled to such notice, and said Notice fully satisfied the requirements of Federal Rule of Civil Procedure 23 and the requirements of due process.

10. Any Plan of Allocation submitted by Plaintiffs’ Settlement Counsel or any order entered regarding the attorneys’ fee application shall in no way disturb or affect this Final Judgment and shall be considered separate from this Final Judgment.

11. Neither the Stipulation nor the settlement contained therein, nor any act performed or document executed pursuant to or in furtherance of the Stipulation or the settlement: (i) 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 Defendants, or (ii) is or may be deemed to be or may be used as an admission of, or evidence of, any fault or omission of any of the Defendants in any civil, criminal or administrative proceeding in any court, administrative agency or other tribunal. Defendants may file the Stipulation and/or the Judgment from this action 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 theory of claim preclusion or issue preclusion or similar defense or counterclaim.

12. Without affecting the finality of this Judgment in any way, this Court hereby retains continuing jurisdiction over (a) implementation of this settlement and any award or distribution of the Settlement Fund, including interest earned thereon; (b) disposition of the Settlement Fund; (c) hearing and determining applications for attorneys’ fees, costs, interest and reimbursement of expenses in the Litigation; and (d) all parties hereto for the purpose of construing, enforcing and administering the Stipulation.

13. The Court finds that during the course of the Litigation, the Settling Parties and their respective counsel at all times complied with the requirements of Federal Rule of Civil Procedure 11.
14. In the event that the settlement does not become effective in accordance with the terms of the Stipulation or in the event that the Settlement Fund, or any portion thereof, is returned to the Defendants, then this Judgment shall be rendered null and void to the extent provided by and in accordance with the Stipulation and shall be vacated and, in such event, all orders entered and releases delivered in connection herewith shall be null and void to the extent provided by and in accordance with the Stipulation.

IT IS SO ORDERED.

DATED: _________________________

THE HONORABLE TERRY R. MEANS
UNITED STATES DISTRICT JUDGE