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**UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF CALIFORNIA**

In re MONTAGE TECHNOLOGY GROUP  
LIMITED SECURITIES LITIGATION

Master File No 14-cv-0722 (SI)

CLASS ACTION

This Document Relates To: All Actions

**STIPULATION AND AGREEMENT OF SETTLEMENT**

This Stipulation and Agreement of Settlement (the “Stipulation”) dated July 10, 2017 is hereby submitted to the Court pursuant to Rule 23 of the Federal Rules of Civil Procedure. Subject to the approval of the Court, this Stipulation is entered into among Class Representatives Martin Graham (“Graham”) and Shaun Shen (“Shen”) (collectively, “Class Representatives”), on behalf of themselves and the putative Settlement Class<sup>1</sup>; and defendants Montage Technology Group Limited (“Montage” or the “Company”), Howard C. Yang (“Yang”), Stephen Tai (“Tai”), and Mark Voll (“Voll”) (collectively, the “Defendants” and with Class Representatives, the “Parties” or the “Settling Parties”) by and through their respective counsel.

1. On February 7, 2014, Graham filed a putative class action complaint styled as *Martin Graham v. Howard C. Yang, et al.*, No. 14-cv-0794, alleging violations of federal securities laws against Yang, Tai, Voll, Yung Kuei Yu, Cathy Yen, Jung-Kung Yang, Edward Way, Charles G. Sodni, and Montage in the United States District Court for the Southern District of New York (the “*Graham Action*”);

2. On February 14, 2014, a similar complaint was filed by plaintiff Janice Kenny styled as *Janice Kenny v. Montage Technology Group Limited, et al.*, No. 3:14-CV-00722, alleging violations of federal securities laws against Montage, Yang, Tai, and Voll, in the United States District Court for the Northern District of California (the “*Kenny Action*”);

3. On February 19, 2014, a similar complaint was filed by plaintiff Maria Cecilia

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<sup>1</sup> All capitalized words and terms that are not otherwise defined in text shall have the meaning ascribed in the section entitled “Certain Definitions.”

1 Ghilaroditti styled as *Maria Cecilia Ghilaroditti v. Montage Technology Group Limited, et al.*, No.  
2 14-cv-1036, alleging violations of federal securities laws against Montage, Yang, Tai, and Voll, in  
3 the United States District Court for the Southern District of New York (the “*Ghilaroditti* Action”);

4 4. On February 21, 2014, another similar complaint was filed by plaintiff Zhao Erdi  
5 styled as *Zhao Erdi v. Montage Technology Group Limited, et al.*, No. 3:14-cv-1105, alleging  
6 violations of federal securities laws against Montage, Yang, Tai, Voll, Yung Kuei Yu, Cathy Yen,  
7 Jung-Kung Yang, Edward Way, and Charles G. Sodini in the United States District Court for the  
8 Southern District of New York (the “*Erdi* Action”);

9 5. On April 8, 2014, Graham filed a Motion for Appointment as Lead Plaintiff and  
10 Approval of Lead Counsel (Docket No. 11);

11 6. On May 13, 2014, a Corrected Stipulation and Proposed Consolidation Order For  
12 Securities Fraud Class Actions, signed by counsel for the *Graham, Kenny, Ghilaroditti, and Erdi*  
13 Actions, as well as counsel for Defendants, was filed before Judge Susan Illston. (Docket No. 29.)  
14 On the same day, Judge Illston so ordered the stipulation and consolidated the *Graham, Kenny,*  
15 *Ghilaroditti, and Erdi* Actions as *In re Montage Technology Group Limited Securities Litigation,*  
16 No. 14-cv-0722 (Docket Nos. 31, 32);

17 7. On May 23, 2014, the Court entered an Order appointing Martin Graham as Lead  
18 Plaintiff and approving The Rosen Law Firm, P.A., as Lead Counsel (Docket No. 36);

19 8. On July 22, 2014, Lead Plaintiff Graham and named plaintiff Shaun Shen filed the  
20 operative Consolidated Amended Class Action Complaint for Violation of the Federal Securities  
21 Laws against Montage, Yang, Tai, and Voll (the “Complaint”) (Docket No. 38);

22 9. On September 22, 2014, Defendants filed their Motion to Dismiss the Complaint  
23 (Docket No. 42). The Motion to Dismiss was fully briefed on December 22, 2014 (*see* Docket No.  
24 57);

25 10. On November 13, 2014, the Parties attended an all-day mediation with David  
26 Geronemus, Esq. of JAMS. The mediation was unsuccessful;

27 11. On January 29, 2015, the Court denied Defendants’ Motion to Dismiss (Docket No.  
28 62);

1           12.     On February 12, 2015 Defendants filed their Answer to Plaintiffs' Complaint  
2 (Docket No. 63), and on April 10, 2015, Defendants filed their Amended Answer to Plaintiffs'  
3 Complaint (Docket No. 70);

4           13.     After the filing of the Answer, the Parties commenced discovery including  
5 depositions, documents requests, and interrogatories;

6           14.     On October 9, 2015, Class Representatives filed a Motion to Certify Class (Docket  
7 Nos. 75–78). The Motion to Certify Class was fully briefed on February 19, 2016 (*see* Docket No.  
8 93);

9           15.     In conjunction with the class certification briefing, Defendants filed a Motion to  
10 Exclude Expert Report of Howard J. Mulcahey (Docket No. 83). Defendants' Motion to Exclude  
11 was fully briefed on February 19, 2016 (*see* Docket No. 92);

12           16.     On March 8, 2016, the Court held oral argument on the Motion to Certify Class and  
13 the Motion to Exclude (Docket No. 97);

14           17.     On April 21, 2016, the Court granted in part and denied in part Defendants' Motion  
15 to Exclude and granted Class Representatives' Motion to Certify Class, certifying the Action as a  
16 class action on behalf of those who purchased or otherwise acquired the publically traded common  
17 stock of Montage between September 25, 2013 and February 6, 2014, inclusive and did not sell  
18 such securities prior to February 6, 2014 and approving Graham and Shen as Class Representatives  
19 as The Rosen Law Firm, P.A. as Class Counsel (Docket No. 100);

20           18.     On March 22, 2017, the Parties attended an all-day mediation before the Hon. Layn  
21 R. Phillips (Ret.). The mediation was successful and a settlement was reached in principle;

22           19.     In recognition of the inherent risks and costs of continued litigation and the benefits  
23 of resolving this litigation, the Parties desire to settle and resolve any and all actual or potential  
24 claims by or between Class Representatives and the Class, on the one hand, and the Defendants and  
25 other Released Persons, on the other hand, arising out of or relating to the subject matter of this  
26 action (the "Action");

27           20.     Defendants deny any wrongdoing and/or fault whatsoever, and the Parties agree that  
28 this Stipulation, the fact of Settlement, any Settlement discussions, any Settlement proceedings,

1 and any statements and/or documents relating to this Settlement and/or to any Settlement term do  
2 not constitute and in no event shall be construed as (or be considered evidence of) an admission or  
3 concession: (i) by any Released Person with respect to any fact or matter stated or alleged in the  
4 Action; (ii) by any Released Person with respect to any actual or potential claim, liability,  
5 wrongdoing, fault, or damage whatsoever; (iii) by any Released Person with respect to any infirmity  
6 in any defense or other argument that any Released Person has asserted; or (iv) by the Class  
7 Representatives with respect to any infirmity in the claims asserted in the Action;

8         21. The Parties wish to settle and compromise any dispute regarding the Action or its  
9 subject matter, including but not limited to whether the Action was filed by Class Representatives  
10 and defended by the Defendants in good faith and with adequate basis in fact under Rule 11 of the  
11 Federal Rules of Civil Procedure, and agree that the Action is being voluntarily settled after work  
12 with a mediator and on advice of counsel, and that the terms of the Settlement are fair, adequate,  
13 and reasonable;

14         22. Class Counsel has conducted an investigation relating to the claims and the  
15 underlying events and transactions alleged in the Action and has analyzed the facts and the  
16 applicable law with respect to the claims of Class Representatives against Defendants and the  
17 potential defenses thereto, which in Class Representatives' judgment have provided an adequate  
18 and satisfactory basis for the evaluation of an agreement to settle, as described in this Stipulation;

19         23. Based upon its investigation, Class Counsel has concluded that the terms and  
20 conditions of the Settlement set forth herein are fair, reasonable, and adequate to Class  
21 Representatives and the Settlement Class, and in their best interests, after considering: (i) the  
22 substantial benefits that the Settlement Class will receive from Settlement of the Action with  
23 Defendants; (ii) the attendant costs and risks of litigation; and (iii) the desirability of permitting the  
24 Settlement to be consummated as provided by the terms of this Stipulation;

25         NOW, THEREFORE, without any admission or concession on the part of Class  
26 Representatives of any lack of merit in the Action whatsoever, and without any admission or  
27 concession on the part of Defendants of any liability, wrongdoing, fault, or lack of merit in the  
28 defenses asserted in the Litigation whatsoever,

1 The Parties hereby STIPULATE AND AGREE, through their respective attorneys, subject  
2 to approval of the Court pursuant to Rule 23(e) of the Federal Rules of Civil Procedure, to the  
3 following terms and conditions:

4 **A. CERTAIN DEFINITIONS**

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

6 1. “Action” means *In re Montage Technology Group Limited Securities Litigation*, No.  
7 14-cv-0722-SI pending in the United States District Court for the Northern District of  
8 California.

9 2. “Attorneys’ Fees and Expenses” means any portion of the Gross Settlement Fund  
10 approved by the Court for payment to Class Counsel, including attorneys’ fees, costs, litigation  
11 expenses, and fees and expenses of experts (excluding Notice and Administration Expenses).

12 3. “Authorized Claimant” means any Claimant whose claim for recovery has been  
13 allowed pursuant to the terms of the Stipulation or by order of the Court.

14 4. “Award to Class Representatives” means any portion of the Gross Settlement Fund  
15 approved by the Court for payment to Class Representatives for their service to the Settlement Class  
16 in this Action, and of reasonable costs and expenses directly relating to the representation of the  
17 Settlement Class pursuant to 15 U.S.C. § 78u-4(a)(4).

18 5. “Bar Order” means that portion of the Order and Final Judgment, the text of which  
19 will be substantially in the form set out in paragraphs 8-10 of Exhibit B that the Settling Parties  
20 will ask the Court to enter and that is an essential term of the Settlement.

21 6. “Barred Claims” means any claim, if any, however styled, whether for  
22 indemnification, contribution, or otherwise and whether arising under state, federal or common  
23 law, against the Released Persons (including claims asserted by Released Persons against other  
24 Released Persons) where the claim is or arises from a Released Claim and the alleged injury to such  
25 Person arises from that Person’s alleged liability to the Settlement Class or any Settlement Class  
26 Member, including any claim in which a Person seeks to recover from any of the Released Persons  
27 (i) any amounts such person or entity has or might become liable to pay to the Settlement Class or  
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1 any Settlement Class Member and/or (ii) any costs, expenses, or attorneys' fees from defending  
2 any claim by the Settlement Class or any Settlement Class Member.

3 7. "Claimant" means any Settlement Class Member who files a Proof of Claim and  
4 Release in such form and manner, and within such time, as set forth in this Stipulation, or as the  
5 Court shall prescribe.

6 8. "Claims Administrator" means Strategic Claims Services.

7 9. "Class Counsel" means The Rosen Law Firm, P.A.

8 10. "Class Representatives" means Martin Graham and Shaun Shen.

9 11. "Court" means the United States District Court for the Northern District of  
10 California.

11 12. "Defendants" means Montage Technology Group Limited, Howard C. Yang,  
12 Stephen Tai, and Mark Voll.

13 13. "Released Defendants' Claims" means all claims, demands, rights, remedies,  
14 liabilities, and causes of action of every nature and description whatsoever, whether based on  
15 federal, state, local, statutory, or common law, or any other law, rule, or regulation, including both  
16 known and Unknown Claims, that: (i) have been or could have been asserted in the Action by any  
17 of the Released Persons or the successors and assigns of any of them, against any of the Class  
18 Representatives or any of their attorneys; and (ii) arise out of or relate in any way to the institution,  
19 prosecution, or Settlement of this Action or the Released Claims, including but not limited to all  
20 claims for malicious prosecution or sanctions. "Released Defendants' Claims" does not include  
21 claims to enforce any of the terms of this Stipulation.

22 14. "Defense Counsel" means O'Melveny & Myers LLP.

23 15. "Effective Date" means the date on which all of the conditions set forth below in  
24 paragraph K.1 shall have been satisfied.

25 16. "Escrow Agent" means the Claims Administrator. The Escrow Agent shall perform  
26 the duties as set forth in this Stipulation.

27 17. "Final" shall mean, with respect to the Court's Order and Final Judgment, the  
28 occurrence of either of the following (whichever is earlier): (i) if an appeal or review is not sought

1 by any Person from the Order and Final Judgment, the day following the expiration of the time to  
2 appeal or petition from the Order and Final Judgment; or (ii) if an appeal or review is sought from  
3 the Order and Final Judgment, the day after such Order and Final Judgment is affirmed or the appeal  
4 or review is dismissed or denied and such Order and Final Judgment is no longer subject to further  
5 judicial review, including upon appeal or review by writ of certiorari.

6 18. “Gross Settlement Fund” means the Settlement Amount plus all interest earned  
7 thereon.

8 19. “Montage Stock” means Montage common stock.

9 20. “Net Settlement Fund” means the Gross Settlement Fund, less: (i) taxes on the  
10 income thereof and any Tax Expenses; (ii) the Notice and Administration Expenses as authorized  
11 by this Stipulation; (iii) Attorneys’ Fees and Expenses authorized by the Court; (iv) any Award to  
12 Class Representatives authorized by the Court; and (v) other fees and expenses authorized by the  
13 Court.

14 21. “Notice and Administration Escrow Account” means the account to be established  
15 from the Gross Settlement Fund and maintained by Class Counsel. The Notice and Administration  
16 Escrow Account may be drawn upon by Class Counsel for Notice and Administration Expenses  
17 without further order of the Court. Prior to the Effective Date, no more than \$150,000 (one Hundred  
18 Fifty Thousand Dollars) may be paid for Notice and Administration Expenses without further order  
19 of the Court.

20 22. “Notice and Administration Expenses” means all expenses incurred (whether or not  
21 paid) in connection with the preparation, printing, mailing, and publication of the Notice to the  
22 Settlement Class of the proposed settlement, all expenses associated with the Notice and  
23 Administration Escrow Account, Settlement Escrow Account, and Escrow Agent, and all other  
24 expenses of Settlement administration; provided, however, that none of these expenses shall be  
25 deemed to include Attorneys’ Fees and Expenses through the Effective Date. All such Notice and  
26 Administration Expenses shall be paid from the Gross Settlement Fund.

27 23. “Order and Final Judgment” means the order and final judgment entered by the  
28 Court, substantially in the form attached hereto as Exhibit B.

1           24.     “Person” means any individual, corporation, partnership, limited liability company  
2 or partnership, limited partnership, professional corporation, association, joint stock company,  
3 trust, estate, unincorporated association, government, or any political subdivision or agency  
4 thereof, any other type of legal or political entity, any representative, and, as applicable, their  
5 respective spouses, heirs, predecessors, successors-in-interest, representatives, agents, insurer  
6 affiliates, attorneys, agents, employees, officers, managers, directors, board members, partners, and  
7 assigns.

8           25.     “Plan of Allocation” means the plan for allocating the Net Settlement Fund (as set  
9 forth in the Notice of Pendency and Proposed Partial Settlement of Class Action (the “Notice”),  
10 attached as Exhibit A-1 to the Order of Preliminary Approval of Settlement) to Authorized  
11 Claimants after payment of Notice and Administration Expenses, Taxes and Tax Expenses, and  
12 Attorneys’ Fees and Expenses. Any Plan of Allocation is not part of the Stipulation and the  
13 Released Persons shall have no liability with respect thereto.

14           26.     “Released Claims” means any and all claims, rights, demands, obligations, damages,  
15 actions or causes of action, or liabilities whatsoever, of every nature and description, including both  
16 known claims and Unknown Claims, whether arising under federal, state, common or foreign law  
17 or regulation, whether class or individual in nature, that were or could have been alleged or asserted,  
18 whether directly or indirectly, by Class Representatives or any member of the Settlement Class in  
19 the Action or in any other action in any court or forum that arise out of or relate in any way to (i)  
20 the purchase, acquisition, or sale of Montage Stock during the Settlement Class Period and (ii) the  
21 acts, facts, statements, or omissions that were or could have been alleged or asserted by Class  
22 Representatives or any member of the Settlement Class in the Action.

23           27.     “Released Persons” means (i) Defendants Montage, Yang, Tai, and Voll; (ii) each  
24 of Montage, Yang, Tai, and Voll’s present and former parents, subsidiaries, divisions, departments,  
25 and affiliates (and the predecessors, successors, administrators and assigns of each of the  
26 foregoing); and (iii) each of the respective stockholders, officers, directors, board members,  
27 employees, agents, assigns, affiliates, and any of their advisors, counsel, underwriters, insurers,  
28 representatives of the foregoing in (i) and (ii) in their capacities as such.



1           28.     “SEC” means the United States Securities and Exchange Commission.

2           29.     “Settlement Class” and “Settlement Class Members” mean, for purposes of this  
3 Settlement, those who purchased or otherwise acquired the publically traded common stock of  
4 Montage between September 25, 2013 and February 6, 2014, both dates inclusive, and did not sell  
5 such stock prior to February 6, 2014 (the “Settlement Class Period”). Excluded from the Settlement  
6 Class are Defendants, Montage’s officers and directors during the Settlement Class Period, and all  
7 such excluded Persons’ immediate families, legal representatives, heirs, parents, wholly-owned  
8 subsidiaries, successors, and assigns. Also excluded from the Settlement Class are those Persons  
9 who file valid and timely requests for exclusion in accordance with the Court’s Order Preliminarily  
10 Approving Settlement and Providing for Notice (“Preliminary Approval Order”) concerning this  
11 Stipulation as set forth in Exhibit A.

12           30.     “Settlement” means the settlement of the Action contemplated by this Stipulation.

13           31.     “Settlement Amount” means a sum in the amount of \$7,250,000 (Seven Million  
14 Two Hundred Fifty Thousand Dollars).

15           32.     “Settlement Class Distribution Order” means the order entered by the Court, upon  
16 application of Class Counsel and on notice to Defense Counsel, following the occurrence of the  
17 events identified in paragraph D.12 below, which authorizes the Claims Administrator to distribute  
18 the Net Settlement Fund to the Settlement Class.

19           33.     “Settlement Escrow Account” means the interest-bearing account selected by the  
20 Escrow Agent for depositing the Settlement Amount less Notice and Claims Administration Costs.  
21 The Settlement Escrow Account shall be managed by the Escrow Agent for the benefit of the Class  
22 Representatives and the Settlement Class until the Effective Date of the Settlement.

23           34.     “Settlement Hearing” means the final hearing to be held by the Court to determine:  
24 (i) whether the proposed Settlement should be approved as fair, reasonable, and adequate; (ii)  
25 whether all Released Claims should be dismissed with prejudice; (iii) whether the Order and Final  
26 Judgment approving the Settlement should be entered thereon; (iv) whether the allocation of the  
27 Gross Settlement Fund should be approved; and (v) whether the application for an award of  
28 Attorneys’ Fees and Expenses and an Award to Class Representatives should be approved.

1           35.     “Taxes and Tax Expenses” means: (i) taxes (including any interest or penalties)  
2 arising with respect to the income earned by the Gross Settlement Fund, including any taxes or tax  
3 detriments that may be imposed upon Montage with respect to any income earned by the Gross  
4 Settlement Fund for any period during which the Gross Settlement Fund does not qualify as a  
5 qualified settlement fund for Federal or state income tax purposes; and (ii) expenses and costs  
6 incurred in connection with the operation and implementation of paragraph E.3 (including, without  
7 limitation, expenses of tax attorneys and/or accountants, and mailing and distribution costs and  
8 expenses relating to filing (or failing to file) the returns described in paragraph E.3).

9           36.     “Unknown Claims” means: (i) any claims that the Class Representatives or any  
10 Settlement Class Member does not know or suspect to exist in his, her, or its favor at the time of  
11 the release of the Released Persons, which if known by him, her, or it, might have affected his, her,  
12 or its decision(s) with respect to the Settlement, including, but not limited to, the decision not to  
13 object to the Settlement, provided such claim arises out of or relates to the purchase or sale of  
14 Montage Stock; and (ii) any Settling Defendant’s Claims that any Settling Defendant does not know  
15 or expect to exist in his, her, or its favor, which if known by him, her, or it might have affected his,  
16 her, or its decision(s) with respect to the Settlement. With respect to any and all Released Claims  
17 and Released Defendants’ Claims, the Settling Parties stipulate and agree that upon the Effective  
18 Date, the Settling Parties shall expressly waive, and each of the Settlement Class Members shall be  
19 deemed to have waived and by operation of the Order and Final Judgment shall have waived, any  
20 and all provisions, rights, and benefits conferred by any law of any state or territory of the United  
21 States, or principle of common law that is similar, comparable, or equivalent to Cal. Civ. Code §  
22 1542, which provides:

23           **A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE**  
24           **CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER**  
25           **FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF**  
26           **KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS**  
27           **OR HER SETTLEMENT WITH THE DEBTOR.**  
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1 Class Representatives acknowledge, and the Settlement Class Members shall be deemed by  
2 operation of the Order and Final Judgment to have acknowledged, that the inclusion of “Unknown  
3 Claims” in the definitions of Released Claims and Released Defendants’ Claims was separately  
4 bargained for and a key element of the Settlement of which this release is a part.

5 **B. THE SETTLEMENT CONSIDERATION**

6 1. Subject to the terms of this Stipulation, Defendants shall cause to be paid the sum  
7 of \$7,250,000 (Seven Million Two Hundred Fifty Thousand Dollars) into the Escrow Account  
8 within ten (10) business days after the Court issues the Preliminary Approval Order, provided all  
9 necessary information has been provided to execute a wire transfer to the Escrow Account.

10 2. The Gross Settlement Fund, net of any Taxes on the income thereof and any Tax  
11 Expenses, shall be used to pay: (i) the Notice and Administration Expenses as authorized by this  
12 Stipulation; (ii) Attorneys’ Fees and Expenses authorized by the Court; (iii) any Award to Class  
13 Representatives authorized by the Court; and (iv) other fees and expenses authorized by the Court.  
14 The balance of the Gross Settlement Fund remaining after the above payments shall be the Net  
15 Settlement Fund, which shall be distributed to the Authorized Claimants in accordance with this  
16 Stipulation. Defendants and Released Persons shall have no responsibility, duties or liability with  
17 respect to the allocation of the Gross Settlement Fund between and among Class Representatives,  
18 Class Counsel, any Settlement Class Members, or any other Persons.

19 3. Any sums required to be held in escrow hereunder shall be held by the Escrow Agent  
20 for the benefit of Class Representatives and the Settlement Class until the Effective Date. Until the  
21 date the Order and Final Judgment is entered, the Settlement Escrow Account and the Notice and  
22 Administration Escrow Account shall be controlled by Class Counsel. All funds held by the Escrow  
23 Agent shall be deemed to be *in custodia legis* and shall remain subject to the jurisdiction of the  
24 Court until such time as the funds shall be distributed or returned pursuant to this Stipulation and/or  
25 further order of the Court. Other than amounts disbursed for providing notice to the Settlement  
26 Class, customary administration costs, and Taxes and Tax Expenses, and the Attorneys’ Fees and  
27 Expenses, the remainder of the Gross Settlement Fund shall not be distributed until the Effective  
28 Date. The Escrow Agent shall not disburse the Gross Settlement Fund, or any portion thereof,

1 except as provided in this Stipulation, or upon Order of the Court. The Escrow Agent shall bear all  
2 risks related to the holding of the Gross Settlement Fund in the Settlement Escrow Account and the  
3 Notice and Administration Escrow Account.

4 4. The Escrow Agent shall invest all funds exclusively in accounts backed by the full  
5 faith and credit of the United States Government or fully insured by the United States Government  
6 or an agency thereof, including a U.S. Treasury Fund or a bank account that is either (a) fully  
7 insured by the Federal Deposit Insurance Corporation (“FDIC”) or (b) secured by instruments  
8 backed by the full faith and credit of the United States Government. The Escrow Agent shall  
9 reinvest the proceeds of these accounts as they mature in similar instruments at their then-current  
10 market rates. Interest earned on the money deposited into the Settlement Escrow Account and the  
11 Notice and Administration Escrow Account shall be part of the Gross Settlement Fund.

12 5. The Notice and Administration Expenses shall be paid from the Gross Settlement  
13 Fund. Any monies from the Notice and Administration Fund that remain after administration shall  
14 be disbursed to the Settlement Escrow Account. The Notice and Administration Escrow Account  
15 may be drawn upon by Class Counsel for Notice and Administration Expenses without further  
16 Court approval. The Notice and Administration Escrow Account shall be administered solely by  
17 the Escrow Agent. Any Taxes or other expenses incurred in connection with the Notice and  
18 Administration Escrow Account shall be paid from the Notice and Administration Escrow Account  
19 or from the remainder of the Gross Settlement Fund. The Released Persons will have no obligation  
20 for payment of Taxes or other expenses associated with the Notice and Administration Escrow  
21 Account. In no event shall the Class Representatives or Class Counsel be responsible to pay any  
22 amount for Notice and Administration Expenses.

23 6. Class Counsel and Defense Counsel shall have access to all records of the Settlement  
24 Escrow Account and the Notice and Administration Escrow Account, and upon request made to  
25 the Escrow Agent, shall receive copies of all records of disbursements, deposits, and statements of  
26 accounts.

27 7. After the Effective Date, the Released Persons shall have no interest in the Gross  
28 Settlement Fund or in the Net Settlement Fund. The Released Persons shall not be liable for the

1 loss of any portion of the Gross Settlement Fund, nor have any liability, obligation, or responsibility  
2 for the payment of claims, Taxes, legal fees, or any other expenses payable from the Gross  
3 Settlement Fund.

4 **C. SCOPE AND EFFECT OF SETTLEMENT AND RELEASES**

5 1. The obligations incurred pursuant to this Stipulation shall be in full and final  
6 disposition of the Action and any and all Released Claims as against all Released Persons and any  
7 and all Released Defendants' Claims as against the Class Representatives, the Settlement Class  
8 Members, and their attorneys.

9 2. Pursuant to the Order and Final Judgment, upon the Effective Date of this  
10 Settlement, Class Representatives and each of the Settlement Class Members on behalf of  
11 themselves, their respective spouses, heirs, predecessors, successors-in-interest, representatives,  
12 agents, insurer affiliates, attorneys, agents, employees, officers, managers, directors, board  
13 members, partners, and assigns, and any Person they represent, shall, with respect to each and every  
14 Released Claim, release, waive and forever relinquish and discharge, and shall forever be enjoined  
15 from prosecuting, all Released Claims and any and all claims arising out of, relating to, or in  
16 connection with the Settlement, or the resolution of the Action against the Released Persons,  
17 whether or not such Settlement Class Member executes and delivers the Proof of Claim and  
18 Release, except with respect to claims to enforce any of the terms of this Stipulation. Further, all  
19 Settlement Class Members on behalf of themselves, their respective spouses, heirs, predecessors,  
20 successors-in-interest, representatives, agents, insurer affiliates, attorneys, agents, employees,  
21 officers, managers, directors, board members, partners, and assigns, and any Person they represent,  
22 expressly covenant not to assert any claim or action against any of the Released Persons that arises  
23 out of or relates to the Released Claims and shall forever be barred and enjoined from commencing,  
24 instituting, prosecuting or continuing to prosecute any action or other proceeding in any court of  
25 law or equity, arbitration tribunal, or administrative forum, asserting the Released Claims against  
26 any of the Released Persons. The Released Persons' liability to Class Representatives and to the  
27 Settlement Class thus expressly is extinguished under this Settlement.  
28

1           3.       The Proof of Claim and Release to be executed by the Settlement Class Members  
2 shall be substantially in the form and content contained in Exhibit A-3 to the Preliminary Approval  
3 Order attached hereto as Exhibit A.

4           4.       Pursuant to the Order and Final Judgment, upon the Effective Date of this  
5 Settlement, Defendants shall release and forever discharge each and every one of Released  
6 Defendants' Claims, and shall forever be enjoined from prosecuting Released Defendants' Claims  
7 as against the Class Representatives, Settlement Class Members, or their attorneys, including but  
8 not limited to claims for malicious prosecution or sanctions.

9       **D.       ADMINISTRATION AND CALCULATION OF CLAIMS, FINAL AWARDS, AND**  
10       **DISTRIBUTION OF NET SETTLEMENT FUND**

11           1.       The Claims Administrator shall administer and calculate the claims that shall be  
12 allowed and oversee distribution of the Net Settlement Fund, under the supervision of Class  
13 Counsel, and subject to appeal to, and jurisdiction of, the Court. The Released Persons shall have  
14 no liability, obligation, or responsibility for the administration of the Gross Settlement Fund or Net  
15 Settlement Fund, or for the distribution of the Net Settlement Fund, including with respect to: (i)  
16 any act, omission, or determination by Class Counsel, the Escrow Agent, and/or the Claims  
17 Administrator, or any of their respective designees or agents, in connection with the administration  
18 of the Settlement or otherwise; (ii) the management or investment of the Gross Settlement Fund or  
19 the Net Settlement Fund, or the distribution of the Net Settlement Fund; (iii) the Plan of Allocation;  
20 (iv) the determination, administration, calculation, or payment of any claims asserted against the  
21 Gross Settlement Fund; (v) any losses suffered by, or fluctuations in value of, the Gross Settlement  
22 Fund, or (vi) the payment or withholding of any taxes, expenses, and/or costs incurred with the  
23 taxation of the Gross Settlement Fund or the filing of any federal, state, or local returns.

24           2.       Except as otherwise provided below, on and after the Effective Date, the Gross  
25 Settlement Fund shall be applied as follows:

26               a.       To the extent not paid from the Notice and Administration Escrow Account,  
27 to pay following an order of the Court approving any such payment, the expenses incurred in  
28 connection with providing notice to Settlement Class Members, administering and distributing the

1 Net Settlement Fund to Settlement Class Members, processing Proofs of Claim, processing requests  
2 for exclusion, escrow fees and costs, and any applicable Taxes;

3           b.       Subject to the approval and further order(s) of the Court, the Net Settlement  
4 Fund shall be allocated to Authorized Claimants as set forth in paragraph F below.

5           c.       After the Claims Administrator calculates the recognized losses of each  
6 Authorized Claimant, Class Counsel shall file a motion for distribution of the Net Settlement Fund  
7 with the Court listing each Authorized Claimant, the amount of each claim that Class Counsel  
8 believes should be allocated and distributed to each such Authorized Claimant, accounting for all  
9 Notice and Administration Expenses, and requesting Court approval to distribute the Net  
10 Settlement Fund to the Authorized Claimants and pay any further Notice and Administration  
11 expenses.

12           3.       Each Settlement Class Member wishing to participate in the Settlement shall be  
13 required to submit a Proof of Claim and Release (in substantially the form set forth in Exhibit A-3  
14 hereto, which *inter alia* releases all Released Claims against all Released Persons), signed under  
15 penalty of perjury by the beneficial owner(s) of the Montage Stock that are the subject of the Proof  
16 of Claim and Release, or by someone with documented authority to sign for the beneficial owners  
17 and supported by such documents as specified in the instructions accompanying the Proof of Claim  
18 and Release.

19           4.       All Proofs of Claim must be postmarked or received within the time prescribed in  
20 the Preliminary Approval Order unless otherwise ordered by the Court. Any Settlement Class  
21 Member who fails to submit a properly completed Proof of Claim within such period as shall be  
22 authorized by the Court shall be forever barred from receiving any payments pursuant to this  
23 Stipulation or from the Net Settlement Fund (unless Class Counsel in its discretion deems such late  
24 filing to be a formal or technical defect and waives the late filing in the interest of achieving  
25 substantial justice, or unless by order of the Court a later submitted Proof of Claim by such  
26 Settlement Class Member is approved), but will in all other respects be subject to the provisions of  
27 this Stipulation and Order and Final Judgment, including, without limitation, the release of the  
28 Released Claims and dismissal of the Action. Provided that it is received before the Motion for the

1 Settlement Class Distribution Order is filed, a Proof of Claim shall be deemed to have been  
2 submitted when posted if received with a postmark indicated on the envelope and if mailed by first-  
3 class mail and addressed in accordance with the instructions thereon. In all other cases, the Proof  
4 of Claim shall be deemed to have been submitted when actually received by the Claims  
5 Administrator.

6 5. Each Proof of Claim shall be submitted to the Claims Administrator who shall  
7 determine, under the supervision of Class Counsel, in accordance with this Stipulation and any  
8 applicable orders of the Court, the extent, if any, to which each claim shall be allowed, subject to  
9 appeal to the Court.

10 6. Proofs of Claim that do not meet the filing requirements may be rejected. Prior to  
11 rejection of a Proof of Claim, the Claims Administrator shall communicate with the Claimant in  
12 order to remedy curable deficiencies in the Proof of Claim submitted. The Claims Administrator,  
13 under the supervision of Class Counsel, shall notify in a timely fashion and in writing, all Claimants  
14 whose Proofs of Claim they propose to reject in whole or in part, setting forth the reasons thereof,  
15 and shall indicate in such notice that the Claimant whose claims are to be rejected has the right to  
16 review by the Court if the Claimant so desires and complies with the requirement of paragraph D.7  
17 below.

18 7. If any Claimant whose claim has been rejected in whole or in part desires to contest  
19 such rejection, the Claimant must, within ten (10) days after the date of mailing of the notice  
20 required by paragraph D.6 above, serve upon the Claims Administrator a notice and statement of  
21 reasons indicating the Claimant's ground for contesting the rejection along with any supporting  
22 documentation, and requesting a review thereof by the Court. If a dispute concerning a claim  
23 cannot be otherwise resolved, Class Counsel shall thereafter present the request for review to the  
24 Court.

25 8. The administrative determination of the Claims Administrator accepting and  
26 rejecting claims shall be presented to the Court, on notice to Defense Counsel, for approval by the  
27 Court in the Settlement Class Distribution Order.  
28



1           9.       Each Claimant shall be deemed to have submitted to the jurisdiction of the Court  
2 with respect to the Claimant's claim, and the claim will be subject to investigation and discovery  
3 under the Federal Rules of Civil Procedure, provided that such investigation and discovery shall be  
4 limited to that Claimant's status as a Settlement Class Member, including their affiliation and  
5 relationship with any Defendants or agent, employee or affiliate of a Defendant and the validity  
6 and amount of the Claimant's claim. No absent Class Member shall be allowed discovery on the  
7 merits of the Action or Settlement in connection with processing of the Proofs of Claim.

8           10.       Payment pursuant to this Stipulation shall be deemed final and conclusive against  
9 all Settlement Class Members. All Settlement Class Members whose claims are not approved by  
10 the Court shall be barred from participating in distributions from the Net Settlement Fund, but are  
11 otherwise bound by all of the terms of the Order and Final Judgment to be entered in the Litigation  
12 and the releases provided for in this Stipulation, and will be barred from bringing any action against  
13 the Released Persons arising out of or relating to the Released Claims.

14           11.       All proceedings with respect to the administration, processing, and determination of  
15 claims described in this Stipulation and the determination of all controversies relating thereto,  
16 including disputed questions of law and fact with respect to the validity of claims, shall be subject  
17 to the jurisdiction of the Court.

18           12.       The Net Settlement Fund shall be distributed to Authorized Claimants by the Claims  
19 Administrator upon application to the Court by Class Counsel for a Settlement Class Distribution  
20 Order only after all of the following have occurred: (i) the Effective Date; (ii) all claims have been  
21 processed, and all Claimants whose claims have been rejected or disallowed, in whole or in part,  
22 have been notified and provided the opportunity to be heard concerning such rejection or  
23 disallowance; (iii) all objections with respect to all rejected or disallowed claims have been resolved  
24 by the Court, and all appeals therefrom have been resolved or the time therefor has expired; (iv) all  
25 matters with respect to Attorneys' Fees and Expenses, Award to Class Representatives, costs, and  
26 disbursements have been resolved by the Court, and all appeals therefrom have been resolved or  
27 the time therefor has expired; and (v) all costs of administration have been paid.

28

1           13.     If any funds remain in the Net Settlement Fund by reason of uncashed checks or  
2 otherwise, then, after the Claims Administrator has made reasonable and diligent efforts to have  
3 Settlement Class Members who are entitled to participate in the distribution of the Net Settlement  
4 Fund cash their distribution checks, any balance remaining in the Net Settlement Fund six (6)  
5 months after the initial distribution of such funds shall be re-distributed, after payment of any  
6 unpaid costs or fees incurred in administering the Net Settlement Fund for such redistribution, to  
7 Settlement Class Members who have cashed their checks and who would receive at least \$10.00  
8 (Ten Dollars) from such re-distribution. If any funds shall remain in the Net Settlement Fund six  
9 months after such re-distribution, then such balance shall be contributed to a non-sectarian, non-  
10 profit Section 501(c)(3) organization selected by Class Counsel.

11           14.     Before the Effective Date, Class Counsel shall file with the Court a declaration under  
12 penalty of perjury describing how notice of the Settlement was given to the Settlement Class.

13     **E.     TAX TREATMENT**

14           1.     Class Representatives and Defendants agree to treat the Gross Settlement Fund as  
15 being at all times a qualified settlement fund within the meaning of Treasury Regulation § 1.468B-  
16 1 and Section 468B of the Internal Revenue Code, as amended, for the taxable years of the Gross  
17 Settlement Fund, beginning with the date it is created. In addition, the Escrow Agent and, as  
18 required, the Parties, shall jointly and timely make such elections as are necessary or advisable to  
19 carry out the provisions of this paragraph, including the “relation-back election” (as defined in  
20 Treas. Reg. § 1.468B-1(j)(2)) back to the earliest permitted date. Such elections shall be made in  
21 compliance with the procedures and requirements contained in such regulations. It shall be the  
22 responsibility of the Claims Administrator to timely and properly prepare and deliver the necessary  
23 documentation for signature by all necessary parties, and thereafter to cause the appropriate filing  
24 to occur.

25           2.     For purposes of Section 468B of the Internal Revenue Code, as amended, and the  
26 regulations promulgated thereunder, the “administrator” shall be the Claims Administrator. The  
27 Claims Administrator shall timely and properly file all tax returns necessary or advisable with  
28 respect to the Gross Settlement Fund, and make all required tax payments, including deposits of

1 estimated tax payments in accordance with Treas. Reg. § 1.468B-2(k). Such returns (as well as the  
2 election described in paragraph E.1 hereof) shall be consistent with this paragraph and reflect that  
3 all taxes (including any interest or penalties) on the income earned by the Gross Settlement Fund  
4 shall be paid out of the Gross Settlement Fund as provided in paragraph E.3 hereof.

5         3. All Taxes and Tax Expenses shall be paid out of the Gross Settlement Fund. In all  
6 events, the Released Persons shall have no liability for the Taxes and Tax Expenses. Further, Taxes  
7 and Tax Expenses shall be treated as, and considered to be, a cost of administration of the  
8 Settlement and shall be timely paid by the Escrow Agent out of the Gross Settlement Fund without  
9 prior order from the Court. The Escrow Agent shall be obligated (notwithstanding anything in this  
10 Stipulation to the contrary) to withhold from distribution to the Settlement Class Members any  
11 funds necessary to pay such Taxes and Tax Expenses, including the establishment of adequate  
12 reserves for any Taxes and Tax Expenses. The Parties agree to cooperate with the Escrow Agent,  
13 each other, and their tax attorneys and accountants to the extent reasonably necessary to carry out  
14 the provisions of this paragraph.

15         4. The Released Persons shall have no liability for or obligations with regard to Taxes  
16 and Tax Expenses. The Gross Settlement Fund shall indemnify and hold each of the Released  
17 Persons harmless for any Taxes and Tax Expenses (including, without limitation, taxes payable by  
18 reason of such indemnification).

19         5. Class Representatives and Class Counsel shall have no liability for or obligations  
20 with regard to Taxes and Tax Expenses. The Gross Settlement Fund shall indemnify and hold each  
21 of Class Representatives and Class Counsel harmless for any Taxes and Tax Expenses (including,  
22 without limitation, taxes payable by reason of such indemnification).

23 **F. ALLOCATION OF NET SETTLEMENT FUND**

24         1. The Plan of Allocation is based upon Class Counsel's assessment of the merits and  
25 the relative strengths and weaknesses, including recoverable damages, of the claims of the  
26 Settlement Class Members.

1           2.       The Released Persons do not take any position as to the proposed Plan of Allocation  
2 and shall have no responsibility for or obligations or liabilities of any kind whatsoever in connection  
3 with the proposed or finalized Plan of Allocation.

4           3.       The Released Persons shall have no responsibility for and no obligations or  
5 liabilities of any kind whatsoever in connection with the determination, administration, calculation,  
6 or payment of claims to Settlement Class Members.

7           4.       The Released Persons shall have no involvement in the solicitation or review of  
8 Proofs of Claim, and shall have no involvement in the administration process itself, which shall be  
9 conducted by the Claims Administrator in accordance with this Stipulation and the Order and Final  
10 Judgment to be entered by the Court. No Claimant or Authorized Claimant shall have any claim  
11 against the Released Persons or Defense Counsel based on, or in any way relating to, the  
12 distributions from either the Gross Settlement Fund or the Net Settlement Fund.

13           5.       No Person shall have any claim against Class Counsel or the Claims Administrator  
14 based on, or in any way relating to, the distributions from the Net Settlement Fund that have been  
15 made substantially in accordance with this Stipulation and any applicable orders of the Court.

16           6.       Any change in the allocation of the Net Settlement Fund ordered by the Court shall  
17 not affect the validity, finality or enforceability of this Settlement.

18 **G.       OBLIGATIONS OF AND LIMITATIONS OF LIABILITY OF ESCROW AGENT**

19           1.       The Escrow Agent's obligations shall be limited to maintaining account of and  
20 properly paying sums as required by this Stipulation to the limited extent that such sums have been  
21 delivered into the Settlement Escrow Account or the Notice and Administration Escrow Account  
22 as required by this Stipulation. The Escrow Agent shall be liable only for acts of fraud, gross  
23 negligence, willful misconduct or material violations of the obligations in this Stipulation.

24 **H.       CLASS COUNSEL'S REQUEST FOR AN AWARD OF ATTORNEYS' FEES AND**  
25 **EXPENSES**

26           1.       Class Counsel intends to submit an application to the Court, on notice to Defense  
27 Counsel, for the payment of Attorneys' Fees and Expenses, including: (i) an award of attorneys'  
28 fees; (ii) an award of litigation costs and expenses, plus interest, including fees and expenses of

1 experts, incurred in connection with the prosecution of the Action; and (iii) an Award to Class  
2 Representatives.

3 2. Any Attorneys' Fees and Expenses awarded by the Court shall be paid from the  
4 Gross Settlement Fund no later than ten (10) calendar days after the Court enters the Order and  
5 Final Judgment (substantially in the Form attached as Exhibit B hereto). If, and when, as a result  
6 of any appeal and/or further proceedings on remand, or successful collateral attack, the Attorneys'  
7 Fees and Expense award is overturned or lowered, or if the Settlement is terminated or is not  
8 approved by the Court, or if there is an appeal and any order approving the settlement does not  
9 become final and binding upon the Settlement Class, then, within thirty (30) business days after  
10 receiving notice from Defense Counsel or such an order from a court of appropriate jurisdiction,  
11 Class Counsel shall refund to the Gross Settlement Fund such fees and expenses previously paid to  
12 them from the Gross Settlement Fund plus interest thereon at the same rate as earned on the Gross  
13 Settlement Fund in an amount consistent with such reversal or modification. As a condition of  
14 receiving such fees and expenses, on behalf of itself and each partner, Class Counsel agrees that (i)  
15 it and its partners are subject to the jurisdiction of the Court for the purpose of enforcing this  
16 Stipulation; (ii) it and its partners shall be subject to repayment of all Attorneys' Fees and Expenses  
17 awarded by the Court allocated to it, including all amounts paid as referral fees to other law firms,  
18 as well as accrued interest; and (iii) the Court may, upon application of Defendants or Defense  
19 Counsel summarily issue orders, including, without limitation, judgments and attachment orders,  
20 and may make appropriate findings of or sanctions for contempt against Class Counsel or any of  
21 its partners should Class Counsel fail timely to repay Attorneys' Fees and Expenses pursuant to  
22 this paragraph.

23 3. Any Award to Class Representatives shall be paid from the Gross Settlement Fund  
24 ten (10) days following the Order and Final Judgment becoming Final.

25 4. It is agreed that the procedure for and the allowance or disallowance by the Court  
26 of any applications by Class Counsel for Attorneys' Fees and Expenses and for the Award to Class  
27 Representatives, including fees for experts and consultants to be paid out of the Gross Settlement  
28 Fund, and any order or proceeding relating thereto, shall not operate to terminate or cancel this

1 Stipulation or affect its finality, and shall have no effect on the terms of this Stipulation or on the  
2 validity or enforceability of this Settlement. The approval of the Settlement, and it becoming Final,  
3 shall not be contingent on the award of Attorneys' Fees and Expenses, any Award to Class  
4 Representatives, or any other amounts to Class Representatives or Class Counsel, nor any appeals  
5 to such awards.

6 **I. THE PRELIMINARY APPROVAL ORDER**

7 1. Promptly after execution of this Stipulation, the Parties shall submit the Stipulation  
8 together with its exhibits to the Court and shall jointly apply for entry of a Preliminary Approval  
9 Order in connection with settlement proceedings substantially in the form annexed hereto as Exhibit  
10 A, providing for, among other things, preliminary approval of the Settlement and notice to the  
11 Settlement Class of the Settlement Hearing. The Preliminary Approval Order (Exhibit A hereto)  
12 to be submitted to the Court shall contain exhibits substantially in the form set forth in: (i) the  
13 Notice (Exhibit A-1 to the Preliminary Approval Order); (ii) the Summary Notice of Pendency and  
14 Proposed Partial Settlement of Class Action ("Summary Notice") (Exhibit A-2 to the Preliminary  
15 Approval Order); and (iii) the Proof of Claim and Release (Exhibit A-3 to the Preliminary Approval  
16 Order).

17 2. The Released Persons are not liable or responsible for the method of, or  
18 representations made in, the Notice or the Summary Notice.

19 **J. ORDER AND FINAL JUDGMENT TO BE ENTERED BY THE COURT**  
20 **APPROVING THE SETTLEMENT**

21 1. The Settling Parties shall seek to have the Court enter an Order and Final Judgment  
22 substantially in the form of Exhibit B hereto.

23 2. The Order and Final Judgment shall, as a material condition of the Settlement,  
24 contain the following provision in the Bar Order:

25 Subject to the provisions of the Stipulation, all Persons are barred from commencing,  
26 prosecuting, or asserting any Barred Claims. All Barred Claims are hereby extinguished,  
27 discharged, satisfied, and unenforceable.  
28

1           3.       Inclusion of the Bar Order in the Order and Final Judgment is material to the Parties’  
2 decision to participate in this Stipulation. If the Order and Final Judgment fails to include the Bar  
3 Order, or if appellate review of the Bar Order is sought and on such review the Bar Order is vacated,  
4 modified or reversed, then the conditions specified in K.1 shall not be met.

5           4.       The Order and Final Judgment will provide that (i) nothing in the Order and Final  
6 Judgment will bar the Released Persons from pursuing claims that are outside the scope or  
7 independent of the Released Claims, including but not limited to any claim that any Released  
8 Person may have for indemnification related to costs and expenses incurred in responding to  
9 discovery requests in the Action; and (ii) nothing in the Order and Final Judgment will bar or  
10 constitute a release of any claim by any of the Released Persons for insurance coverage arising out  
11 of, related to, or in connection with this Action or the Released Claims.

12       **K.       CONDITIONS OF SETTLEMENT**

13           1.       The Effective Date of the Settlement shall be the date on which ALL of the  
14 following conditions have been satisfied:

15               a.       The Court has entered the Preliminary Approval Order (Exhibit A hereto) in  
16 all material respects;

17               b.       No Party has exercised, within the required time period, any right to  
18 terminate the Settlement as permitted by paragraph L below;

19               c.       The Court has entered the Order and Final Judgment (Exhibit B hereto) in  
20 all material respects;

21               d.       The Court's Order and Final Judgment (Exhibit B hereto) has become  
22 “Final,” as defined in paragraph A.17;

23               e.       The Settlement Amount has been paid, as set forth in paragraph B.1 above;  
24 and

25               f.       The Court has entered the Bar Order.

26           2.       Upon the occurrence of ALL of the events referenced in paragraph K.1 above, Class  
27 Representatives shall have, and each and all of the members of the Settlement Class shall hereby  
28 be deemed to have, and by operation of the Order and Final Judgment shall have, fully, finally, and

1 forever released, waived, settled, and discharged, in accordance with the terms of Section C. above,  
2 the Released Persons from and with respect to the Released Claims, whether or not such Members  
3 of the Settlement Class execute and deliver a Proof of Claim.

4 3. Upon the occurrence of ALL of the events referenced in paragraph K.1 above, the  
5 obligation of the Escrow Agent to return funds from the Gross Settlement Fund to Defendants or  
6 their designees and any insurer that has made a payment into the Escrow Fund pursuant to  
7 paragraph L.4 or any other provision of this Stipulation shall be absolutely and forever  
8 extinguished.

9 **L. RIGHTS OF TERMINATION AND EFFECTS THEREOF**

10 1. Defendants and Class Representatives shall each have the right to terminate the  
11 Settlement and this Stipulation by providing written notice of their election to do so to all other  
12 counsel for the Settling Parties within thirty (30) days after the date on which any of the following  
13 occurs:

14 a. the Court declines to enter the Preliminary Approval Order (Exhibit A  
15 hereto) in any material respect;

16 b. the Court issues an order declining to approve this Stipulation or any material  
17 part of it, except with respect to any decision by the Court concerning the Attorneys' Fees and  
18 Expenses and Award to Class Representatives;

19 c. the Court declines to enter the Order and Final Judgment (Exhibit B hereto)  
20 in any material respect;

21 d. the Order and Final Judgment is modified or reversed in any material respect  
22 by a Court of Appeals or the United States Supreme Court; or

23 e. in the event that the Court enters an order and final judgment in a form other  
24 than that provided above (an "Alternative Judgment") and none of the Parties elects to terminate  
25 this Settlement, the date that such Alternative Judgment is modified or reversed in any material  
26 respect by a Court of Appeals or the Supreme Court.

27 2. If, prior to the Settlement Hearing, Persons who otherwise would be Settlement  
28 Class Members have filed with the Court valid and timely requests for exclusion ("Requests for



1 Exclusion”) from the Settlement Class in accordance with the provisions of the Preliminary  
2 Approval Order and the notice given pursuant thereto, and such Persons in the aggregate purchased  
3 Montage Stock during the Settlement Class Period in an amount greater than the amounts specified  
4 in a separate Supplemental Agreement between the Parties (the “Supplemental Agreement”), then  
5 Defendants shall have the option to terminate this Stipulation and Settlement in strict accordance  
6 with the requirements and procedures set forth in the Supplemental Agreement (“Opt-out  
7 Termination Option”). The Supplemental Agreement shall not be filed with the Court unless and  
8 until a dispute among the Parties concerning its interpretation or application arises, but may be  
9 examined in camera if so requested or ordered by the Court. Copies of all Requests for Exclusion  
10 received, together with copies of all written revocations of Requests for Exclusion, shall be  
11 delivered to Defendants no later than fourteen calendar (14) days prior to the Settlement Hearing.  
12 The required procedure for and consequences of exercising an Opt-out Termination Option are as  
13 follows:

14 a. To exercise the Opt-out Termination Option, Defendants must serve written  
15 notice, signed by its counsel, upon Class Counsel, not less than seven (7) days before the Settlement  
16 Hearing;

17 b. If Defendants exercise the Opt-out Termination Option as provided in this  
18 Stipulation, then this Stipulation shall be null and void, and the provisions of Section L hereof shall  
19 apply.

20 3. If Defendants (or their designees or successors) do not pay or cause to be paid the  
21 Settlement Amount within the time period specified in paragraph B.1 of this Stipulation, then Class  
22 Counsel, in their sole discretion, may elect, at any time prior to the Court entering the Order and  
23 Final Judgment: (i) to terminate the Settlement by providing written notice to Defense Counsel; or  
24 (ii) to enforce the terms of the Settlement and this Stipulation and seek a judgment effecting the  
25 terms in this Stipulation.

26 4. Upon termination of the Stipulation pursuant to the terms of the Stipulation, the  
27 Escrow Agent shall refund the Gross Settlement Fund, less amounts already expended for notice to  
28 the Settlement Class pursuant to the terms of the Stipulation, to Defendants or their designees and

1 any insurer that has made a payment into the Escrow Fund within ten (10) business days thereafter  
2 (the “Returned Settlement Amount”). Under no circumstances shall Class Counsel be liable for  
3 any monies dispersed from the Notice and Administration Escrow Account, or any other Notice  
4 and Administration Expenses.

5 5. If this Stipulation is terminated pursuant to its terms, and at the request of any of the  
6 Defendants or Class Representatives, then the Escrow Agent or the Escrow Agent’s designee shall  
7 apply for any tax refund owed to the Gross Settlement Fund and pay the percentage of the proceeds  
8 of the tax refund, after deduction of any fees and expenses incurred in connection with such  
9 application(s) for refund, to Defendants or their designees and any insurer that has made a payment  
10 into the Escrow Fund.

11 6. If this Stipulation is terminated pursuant to its terms, all of the Parties shall be  
12 deemed to have reverted *nunc pro tunc* to their respective status prior to the execution of this  
13 Stipulation. The Parties shall proceed in all respects as if this Stipulation had not been executed  
14 and the related orders had not been entered, without prejudice in any way from the negotiation,  
15 fact, or terms of the Settlement, and preserving all of their respective claims and defenses in the  
16 Action, and shall revert to their respective positions in the Action, except that the provisions of  
17 Section A. and paragraphs E.1-3, G.1, H.2, L.3-6, M.10-18, and M.21 shall survive termination.

18 7. No order of the Court or modification or reversal of any order of the Court  
19 concerning the Plan of Allocation or the amount of any attorneys’ fees, costs, and expenses awarded  
20 by the Court shall constitute grounds for termination of the Stipulation.

#### 21 **M. MISCELLANEOUS PROVISIONS**

22 1. The Parties: (i) acknowledge that it is their intent to consummate the Settlement  
23 contemplated by this Stipulation; (ii) agree to cooperate to the extent necessary to effectuate and  
24 implement all terms and conditions of this Stipulation; and (iii) agree to exercise their best efforts  
25 and to act in good faith to accomplish the foregoing terms and conditions of the Stipulation.

26 2. The Settling Parties acknowledge and warrant as follows:

27 a. By executing this Stipulation, each of the Settling Parties represents that they  
28 have carefully read and fully understand this Stipulation and its final and binding effect;

1           b.       By executing this Stipulation, each of the Settling Parties represents that they  
2 have the right, legal capacity, power and authority to enter into this Stipulation and to perform their  
3 obligations hereunder, without requiring additional consent, approval, or authorization of any other  
4 person, board, entity, tribunal, or other regulatory or governmental authority;

5           c.       By executing this Stipulation, the Parties represents that the execution and  
6 delivery of this Stipulation and the performance of each and every obligation in this Stipulation  
7 does not and will not result in a breach of or constitute a default under, or require any consent under,  
8 any duty, relationship, contract, agreement, covenant, promise, guarantee, obligation or instrument  
9 to which the executing Party is a party or by which the executing Party is bound or affected;

10          d.       By executing this Stipulation, the Parties represents that there is no demand  
11 for monetary, non-monetary, or injunctive relief, or any civil, criminal, administrative, or  
12 arbitration proceeding for monetary, nonmonetary, or injunctive relief known or suspected to exist  
13 against them that would affect this Stipulation or their ability to enter into, execute or perform each  
14 and every obligation in this Stipulation;

15          e.       By executing this Stipulation, the Parties represents that no representations,  
16 warranties, inducements or promises of any kind or character have been made by any other Party,  
17 Released Person, or anyone else to induce the execution of this Stipulation except as expressly  
18 provided in this Stipulation, and that this Stipulation constitutes the entire agreement between the  
19 Settling Parties;

20          f.       By executing this Stipulation, each of the Settling Parties represents that this  
21 Stipulation is fair and is executed voluntarily, with full knowledge of the consequences and  
22 implications of the obligations contained in this Stipulation;

23          g.       By executing this Stipulation, each of the Settling Parties represents that this  
24 Stipulation is not the result of any fraud, duress, or undue influence, and that they have not assigned,  
25 transferred, or conveyed, or purported to assign, transfer, or convey, voluntarily, involuntarily or  
26 by operation of law, any or all of their respective rights and claims or any security interest with  
27 respect to any of their respective rights and claims;

28

1 h. By executing this Stipulation, each of the Settling Parties represents that they  
2 have had the opportunity to be represented by counsel of their choice throughout the negotiations  
3 which preceded the execution of this Stipulation and in connection with the preparation and  
4 execution of this Stipulation; and

5 i. By executing this Stipulation, each of the Settling Parties represents that they  
6 have been afforded sufficient time and opportunity to review this Stipulation with advisors and  
7 counsel of their choice.

8 3. All of the exhibits attached hereto are hereby incorporated by reference as though  
9 fully set forth in this Stipulation.

10 4. No amendment or modification of this Stipulation shall be effective unless in writing  
11 and signed by, or on behalf of, the Parties, or their successors-in-interest.

12 5. Except for claims under this Stipulation, neither Class Representatives nor any  
13 Settlement Class Member will voluntarily become a party to any suit or proceeding arising from or  
14 in connection with any attempt by or on behalf of any third party to enforce or collect an amount  
15 based on any Released Claims.

16 6. Whenever this Stipulation requires or contemplates that a Party shall or may give  
17 notice to the other, unless otherwise specified, notice shall be provided by email and/or next-day  
18 (excluding Saturday and Sunday) express delivery service as follows, and shall be deemed effective  
19 upon delivery to the indicated electronic or physical address, as the case may be, below:

20 (i) If to Class Representatives:

21 **THE ROSEN LAW FIRM, P.A.**

22 Laurence M. Rosen, Esq.  
23 355 South Grand Avenue, Suite 2450  
24 Los Angeles, CA 90071  
25 Telephone: (213) 785-2610  
26 Facsimile: (213) 226-2684  
27 Email: lrosen@rosenlegal.com

28 Jonathan Stern, Esq. (*pro hac vice*)  
275 Madison Avenue, 34th Floor  
New York, NY 10016  
Telephone: (212) 686-1060

1 Facsimile: (212) 202-3827  
2 Email: jstern@rosenlegal.com

3 (ii) If to Defendants:

4 **O'MELVENY & MYERS LLP**

5 Seth Aronson, Esq.  
6 Brittany Rogers, Esq.  
7 400 South Hope Street  
8 Los Angeles, CA 90071  
9 Telephone: (213) 430-6000  
10 Facsimile: (213) 430-6407  
11 Email: saronson@omm.com  
12 Email: brogers@omm.com

13 Edward N. Moss, Esq.  
14 7 Times Square  
15 New York, NY 10036  
16 Telephone: (212) 326-2000  
17 Facsimile: (212) 326-2061  
18 Email: emoss@omm.com

19 7. Except as otherwise provided herein, each Party shall bear its own costs. Class  
20 Counsels' Attorneys' Fees and Expenses, subject to Court approval, shall be paid only out of the  
21 Gross Settlement Fund, and the Released Persons shall have no obligation with respect to the  
22 payment of said Attorneys' Fees and Expenses.

23 8. Class Counsel, on behalf of the Settlement Class, is expressly authorized to take all  
24 appropriate action required or permitted to be taken by the Settlement Class pursuant to this  
25 Stipulation to effectuate its terms and is also expressly authorized to enter into any modifications  
26 or amendments to this Stipulation on behalf of the Settlement Class.

27 9. The persons signing this Stipulation represent that they are authorized to do so on  
28 behalf of their respective clients.

1 This Stipulation may be executed in one or more original, photocopied, PDF copies  
2 or facsimile counterparts. All executed counterparts and each of them shall be deemed to be one  
3 and the same instrument. A copy of the complete set of executed counterparts of this Stipulation  
4 shall be electronically filed with the Court.

1           11. This Stipulation shall be binding upon, and inure to the benefit of, the successors,  
2 assigns, executors, administrators, heirs, and representatives of the Parties. No assignment shall  
3 relieve any party hereto of any obligations hereunder.

4           12. All terms of this Stipulation and all exhibits hereto shall be governed and interpreted  
5 according to the laws of the State of California without regard to its rules of conflicts of law, except  
6 to the extent that federal law requires that federal law governs, and in accordance with the laws of  
7 the United States.

8           13. Class Representatives, on behalf of themselves and each member of the Settlement  
9 Class, and Defendants hereby irrevocably submit to the jurisdiction of the Court for any suit, action,  
10 proceeding, or dispute arising out of or relating to this Stipulation, the applicability of this  
11 Stipulation, or the enforcement of this Stipulation. The administration and consummation of the  
12 Settlement as embodied in this Stipulation shall be under the authority of the Court, and the Court  
13 shall retain jurisdiction for the purpose of entering orders providing for awards of Attorneys' Fees  
14 and Expenses to Class Counsel, any Award to Class Representatives, and enforcing the terms of  
15 this Stipulation.

16           14. Because of the arm's-length negotiations that preceded the execution of this  
17 Stipulation, all Settling Parties have contributed substantially and materially to the preparation of  
18 this Stipulation. This Stipulation shall not be construed against any Party on the basis that such  
19 party was the primary drafter of this Stipulation, or if so construed, this Stipulation shall be  
20 construed as if all Settling Parties participated equally in such drafting.

21           15. Neither this Stipulation, nor the fact of the Settlement, is an admission or concession  
22 by Released Persons of any liability or wrongdoing whatsoever. This Stipulation shall not  
23 constitute a finding of the validity or invalidity of any factual allegation or any claims in the Action  
24 or of any liability or wrongdoing by any of the Released Persons. This Stipulation, the fact of  
25 Settlement, the Settlement proceedings, the Settlement negotiations, and any related documents,  
26 shall not be used or construed as an admission of any factual allegation, fault, liability, or  
27 wrongdoing by any person or entity, and shall in no event be offered or received in evidence as an  
28 admission, concession, presumption, or inference against any party in any action or proceeding of

1 any nature, or otherwise referred to or used in any manner in or before any court or other tribunal,  
2 except in such proceeding as may be necessary to enforce this Stipulation.

3 16. The Settling Parties intend the Settlement to be a final and complete resolution of  
4 all claims and disputes asserted or that could be asserted by the Settlement Class Members against  
5 the Released Persons with respect to the Released Claims. Accordingly, unless the Court's Order  
6 and Final Judgment approving the Settlement does not become Final, the Settling Parties agree not  
7 to assert in any forum that the Action was brought by Class Representatives or defended by  
8 Defendants in bad faith or without a reasonable basis. Additionally, the Settling Parties shall not  
9 assert any claims of any violation of Rule 11 of the Federal Rules of Civil Procedure relating to the  
10 prosecution, defense, or settlement of the Action. The Parties agree that the amount paid and the  
11 other terms of the Settlement were negotiated at arm's-length in good faith by the Parties, and  
12 reflect a settlement that was reached voluntarily after consultation with experienced legal counsel.

13 17. All agreements made and orders entered during the course of this Action relating to  
14 the confidentiality of information shall survive this Settlement.

15 18. The headings in this Stipulation are used for purposes of convenience and ease of  
16 reference only and are not meant to have any legal effect, nor are they intended to influence the  
17 construction of this Stipulation in any way.

18 19. The waiver by one Released Person of any breach of this Stipulation by any other  
19 Party shall not be deemed a waiver by any other Released Person or of any other breach of this  
20 Stipulation. The provisions of this Stipulation may not be waived except by a writing signed by  
21 the affected Party or counsel for that Party. No failure or delay on the part of any Party in exercising  
22 any right, remedy, power, or privilege under this Stipulation shall operate as a waiver thereof or of  
23 any other right, remedy, power, or privilege of such Party under this Stipulation; nor shall any  
24 single or partial exercise of any right, remedy, power, or privilege under this Stipulation on the part  
25 of any Party operate as a waiver thereof or of any other right, remedy, power, or privilege of such  
26 Party under this Stipulation, or preclude further exercise thereof or the exercise of any other right,  
27 remedy, power, or privilege.

28

1           20.     The Parties agree that nothing contained in this Stipulation shall cause any Party to  
2 be the agent or legal representative of another Party for any purpose whatsoever, nor shall this  
3 Stipulation be deemed to create any form of business organization between the Parties, nor is any  
4 Party granted any right or authority to assume or create any obligation or responsibility on behalf  
5 of any other Settling Party, nor shall any Party be in any way liable for any debt of another Settling  
6 Party as a result of this Stipulation except as explicitly set forth in this Stipulation.

7           21.     The Settling Parties agree that this Settlement is not contingent on any of the Settling  
8 Parties settling with any other party in the Action or in any other litigation.

9           IN WITNESS WHEREOF, the Parties, intending to be legally bound by this Stipulation,  
10 have caused this Stipulation to be executed, by their duly authorized attorneys, as of the day and  
11 year first above written.

12 Dated: July 10, 2017

13 **THE ROSEN LAW FIRM, P.A.**

14   
15 Laurence M. Rosen, Esq.  
16 355 South Grand Avenue, Suite 2450  
17 Los Angeles, CA 90071  
18 Telephone: (213) 785-2610  
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23 Edward N. Moss, Esq.  
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