

**UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF VIRGINIA
Alexandria Division**

MICHAEL RUBIN, on behalf of himself
and all others similarly situated,

Plaintiff,

vs.

FBR & CO., RICHARD J. HENDRIX,
REENA AGGARWAL, THOMAS J.
HYNES JR., RICHARD A. KRAEMER,
ALLISON M. LEOPOLD TILLEY,
MARK R. PATTERSON, ARTHUR J.
REIMERS, and WILLIAM F. STROME

Defendants.

Civil Case No.: 1:17-cv-00410-LMB-MSN

**STIPULATION TO DISMISS ACTION AS MOOT AND RETAINING
JURISDICTION TO CONSIDER PLAINTIFF'S COUNSEL'S
POTENTIAL APPLICATION FOR FEES AND EXPENSES**

WHEREAS, on April 4, 2017, Plaintiff Michael Rubin ("Plaintiff") filed a putative Class Action Complaint for Violations of Sections 14(a) and 20(a) of the Securities Exchange Act of 1934 (the "Complaint") in the above-captioned action (the "Action");

WHEREAS, the Complaint includes claims against defendant FBR & Co. ("FBR" or the "Company") and the members of the Company's Board of Directors (together with FBR, the "Defendants") under Sections 14(a) and 20(a) of the Securities and Exchange Act of 1934 and Rule 14a-9 promulgated thereunder with respect to certain public disclosures made by FBR in the registration statement on Form S-4 filed with the United States Securities and Exchange Commission (the "SEC") on or around March 17, 2017 (the "Registration Statement") in connection with the proposed acquisition of FBR by B. Riley Financial, Inc. (the "Proposed Transaction");

WHEREAS, on May 1, 2017, Defendants filed a definitive proxy statement with the SEC on Schedule 14A (the “Definitive Proxy”);

WHEREAS, on May 5, 2017, Plaintiff filed a Motion for Preliminary Injunction, seeking an order preliminarily enjoining the FBR shareholder vote with respect to the Proposed Transaction (the “Preliminary Injunction Motion”), together with a Motion to Shorten Time and for Expedited Hearing;

WHEREAS, on May 9, 2017, the Court entered an Order scheduling a hearing on the Preliminary Injunction Motion for May 19, 2017 and establishing a briefing schedule;

WHEREAS, on May 12, 2017, FBR filed a Form 8-K with the SEC that included additional information that supplemented the disclosures set forth in the Definitive Proxy (the “Supplemental Disclosures”) that Plaintiff believes addressed and mooted Plaintiff’s claims alleged in his Complaint and asserted in the Preliminary Injunction Motion;

WHEREAS, on May 15, 2017, Plaintiff filed a notice withdrawing his Motion for Preliminary Injunction as moot and requesting that the Court vacate the hearing scheduled for May 19, 2017;

WHEREAS, on May 15, 2017, the Court entered an order vacating the hearing on the Preliminary Injunction Motion;

WHEREAS, on June 1, 2017, the shareholders of FBR met and voted to approve the Proposed Transaction;

WHEREAS, on June 1, 2017, the Proposed Transaction was consummated;

WHEREAS, Plaintiff asserts that the prosecution of the Action caused FBR to file the Supplemental Disclosures with the SEC and that Plaintiff’s counsel have the right to seek and recover attorneys’ fees and expenses in connection with a claimed common benefit provided to

FBR's shareholders as a result of the filing of the Supplemental Disclosures, and Plaintiff's counsel have informed Defendants that if their claim for fees and expenses cannot be resolved through negotiations between counsel for Plaintiff and Defendants, Plaintiff intends to petition the Court for such fees and expenses (the "Fee and Expense Application");

WHEREAS, Plaintiff believes and contends that the Supplemental Disclosures mooted the claims set forth in the Complaint, and that any remaining claims are so unlikely to be successful as to warrant dismissal;

WHEREAS, for the avoidance of doubt, no compensation in any form has passed directly or indirectly to Plaintiff or his counsel and no promise, understanding, or agreement to give any such compensation has been made; nor have the parties had any discussions concerning the amount of any attorneys' fees and expenses;

WHEREAS, the parties intend to meet and confer concerning the potential Fee and Expense Application, and, if the parties are unable to reach an agreement, the parties respectfully request that this Court retain jurisdiction over the prospective Fee and Expense Application; and

WHEREAS, no class has been certified in this action.

NOW, THEREFORE, IT IS STIPULATED AND AGREED by the undersigned parties, through their respective counsel, and subject to the Court's approval, that:

1. Plaintiff hereby voluntarily dismisses the above-captioned action pursuant to Federal Rule of Civil Procedure 41(a), and the action shall be so dismissed. The dismissal is as to the named Plaintiff only and has no effect upon the absent members of the putative class.

2. This Court retains jurisdiction of this action solely for the purpose of adjudicating the potential Fee and Expense Application, if such an application should become necessary.
4. The parties shall meet and confer concerning Plaintiff's potential Fee and Expense Application. To the extent that the parties are unable to reach an agreement concerning the potential Fee and Expense Application, they will contact the Court to set a stipulated briefing and hearing schedule for the Fee and Expense Application. If the parties reach an agreement concerning the Fee and Expense Application, they will notify the Court.
5. This order is entered without prejudice to any position, claim, or defense any party may assert with respect to the potential Fee and Expense Application, which includes the Defendants' right to challenge the basis for, as well as the amount of, the potential Fee and Expense Application, if necessary.

Respectfully submitted this 11th day of July, 2017.///

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PURSUANT TO STIPULATION, IT IS SO ORDERED.

/s/ 
Leonie M. Brinkema
United States District Judge

DATED: ~~June~~ ^{July} ~~11~~ ¹², 2017