

1 David E. Bower  
2 **MONTEVERDE & ASSOCIATES PC**  
3 600 Corporate Pointe, Suite 1170  
4 Culver City, California 90230  
5 Tel: 213-446-6652  
6 Fax: 212-202-7880  
7 Email: dbower@monteverdelaw.com

8 *Counsel for Plaintiff Sheila Baker and Co-*  
9 *Lead Counsel for the Putative Class*

10 [additional counsel listed on signature page]

11 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**  
12 **COUNTY OF LOS ANGELES**

13 SHEILA BAKER, Individually and on Behalf  
14 of All Others Similarly Situated,

15 Plaintiff,

16 vs.

17 JOSEPH E. MCADAMS, LLOYD  
18 MCADAMS, JOE E. DAVIS, ROBERT C.  
19 DAVIS, MARK S. MARON, and  
20 DOMINIQUE MIELLE,

21 Defendants.

Lead Case No. **21STCV07569**

Assigned to the Hon. Carolyn B. Kuhl,  
Dept. 12

**STIPULATION AND AGREEMENT  
OF SETTLEMENT, COMPROMISE,  
AND RELEASE**

Action Filed: February 24, 2021

1 This Stipulation and Agreement of Settlement, Compromise, and Release, dated  
2 February 24, 2023 (the “**Stipulation**”), is entered into by and among Plaintiffs Sheila Baker, Merle  
3 W. Bundick, and Benjamin Gigli (“**Plaintiffs**”), on behalf of themselves and the Class (defined  
4 below), and Defendants Joseph E. McAdams, Lloyd McAdams, Robert C. Davis, Mark S. Maron,  
5 and Dominique Mielle (collectively, “**Defendants**”). Plaintiffs and Defendants may be collectively  
6 referred to herein as the “**Settling Parties**.”

7 Subject to the terms and conditions set forth herein and the approval of the Superior Court  
8 of California, the Settlement (as defined below) embodied in this Stipulation is intended: (i) to be a  
9 full and final disposition of the above-captioned action (“**Action**”); (ii) to state all of the terms of  
10 the Settlement and the resolution of the action; (iii) to fully and finally compromise, resolve,  
11 dismiss, discharge and settle each and every one of the Released Plaintiffs’ Claims (as defined  
12 below) against each and every one of the Released Defendant Parties (as defined below); and (iv)  
13 to fully and finally compromise, resolve, dismiss, discharge and settle each and every one of the  
14 Released Defendants’ Claims (as defined below) against each and every one of the Released  
15 Plaintiff Parties (as defined below).

16 **A. FACTUAL BACKGROUND**

17 On February 24, 2021, this action was commenced in the Los Angeles County Superior  
18 Court of the State of California (the “**Court**”), by Plaintiff Sheila Baker, a stockholder of Anworth  
19 Mortgage Asset Corporation (“**Anworth**” or the “**Company**”), alleging, among other things, that  
20 the Defendants had breached fiduciary duties to the Company’s stockholders in connection with the  
21 acquisition of Anworth by an affiliate of Ready Capital Corporation (“**Ready Capital**”). Also on  
22 February 24, 2021, Plaintiff Merle W. Bundick, individually and on behalf of all other shareholders  
23 of Anworth, filed the action styled *Bundick v. McAdams, et al.* Case No. 21STCV07571. And, on  
24 March 2, 2021, Plaintiff Benjamin Gigli, individually and on behalf of all other shareholders of  
25 Anworth, filed the action styled *Gigli v. McAdams, et al.* Case No. 21STCV08413.<sup>1</sup>

26  
27 <sup>1</sup> In each action, Plaintiffs Baker, Bundick, and Gigli also included Joe E. Davis, a former  
28 director of Anworth, as a named defendant, and Joe E. Davis remained a defendant in the Action  
until Plaintiffs dismissed Joe E. Davis on January 6, 2022, following his death.

1           On May 26, 2021, all three cases were consolidated into the present action, and Monteverde  
2           & Associates PC and Kahn Swick & Foti, LLC were appointed as Co-Lead Counsel for the putative  
3           class (“Co-Lead Counsel”).

4           On June 15, 2021, Plaintiffs filed a Consolidated Class Action Complaint alleging breaches  
5           of fiduciary duty and violations of Md. Corps. & Ass’ns Code § 2-405.1 (the “Consolidated  
6           Complaint”).

7           On August 13, 2021, Defendants filed a demurrer to the Consolidated Complaint. On  
8           December 2, 2021, following full briefing by the parties, the Court overruled Defendants’ demurrer,  
9           holding that Plaintiffs had adequately stated a claim for breach of fiduciary duty.

10          Thereafter, the parties engaged in a dispute regarding the scope of discovery. Once that  
11          dispute was resolved, Plaintiffs undertook the following discovery:

- 12           1. On March 25, 2022, Plaintiffs served their first set of discovery demands on behalf  
13           of the class, consisting of requests for production to all Defendants, requests for  
14           admission to Defendant J. McAdams, requests for admission to Defendant Maron,  
15           and separate sets of interrogatories to each Defendant. Eight separate demand  
16           papers were served in total.
- 17           2. Throughout June, July, August, and September 2022, Plaintiffs served subpoenas  
18           duces tecum on relevant third parties, including Credit Suisse Securities (USA)  
19           LLC (“Credit Suisse”), Anworth’s financial advisor in connection with the  
20           Merger; Wells Fargo Securities, LLC (“Wells Fargo”), financial advisor to Ready  
21           Capital during the Merger; Ready Capital; and ten third-party bidders.
- 22           3. On June 15 and July 1, 2022, Defendants made their first and second productions  
23           in response to Plaintiffs’ first set of discovery demands.
- 24           4. On August 22, 2022, Defendants served their first set of discovery demands on  
25           Plaintiffs, consisting of separate requests for production, requests for admission,  
26           special interrogatories, and form interrogatories to each Plaintiff. Twelve separate  
27           demand papers were served in total.

5. On August 23, 2022, Credit Suisse produced responsive documents to Plaintiffs' subpoena.
6. On September 2, 2022, Defendants made their third production in response to Plaintiffs' first set of discovery demands.
7. Throughout August, September, and October 2022, third-party subpoena recipients served responses and objections to Plaintiffs' subpoenas and began producing documents in response thereto.
8. On September 28, 2022, Plaintiffs responded and objected to Defendants' first set of discovery demands.
9. On October 22, 2022, Plaintiffs served a second set of discovery demands containing requests for production to all Defendants. Defendants responded to those demands on December 7, 2022
10. On November 5 and November 7, 2022, Defendants served their second and final set of discovery demands, consisting of separate form interrogatories, special interrogatories, and requests for admission to each Plaintiff. Nine sets of demand papers were served in total.
11. On December 16, 2022, Plaintiffs responded to Defendants' second set of discovery demands. Plaintiffs also served their third and final set of discovery demands, consisting of interrogatories to Defendant J. McAdams.

On October 3, 2022, Co-Lead Counsel and Defendants' Counsel participated in a full-day mediation session before Michelle Yoshida of Phillips ADR in an effort to resolve the Action. Before the Mediation, the parties exchanged mediation statements and exhibits, which addressed both liability and damages. The Mediation did not lead to resolution of the Action.

Thereafter, the parties continued discovery, as outlined above. During that time, the Settling Parties also continued to engage in arm's-length negotiations about the potential resolution of the Action.

1 After extensive, arm's-length negotiations, the Settling Parties reached an agreement in  
2 principle on December 23, 2022 to settle the Action for \$3,000,000.00 in cash, subject to approval  
3 by the Court.

4 On February 20, 2023, the parties held a meet and confer regarding compliance with Code  
5 of Civil Procedure Sec 384, which requires that "unpaid residue or unclaimed or abandoned class  
6 member funds, plus any interest that has accrued thereon," be paid "to nonprofit organizations or  
7 foundations to support projects that will benefit the class or similarly situated persons, or that  
8 promote the law consistent with the objectives and purposes of the underlying cause of action, to  
9 child advocacy programs, or to nonprofit organizations providing civil legal services to the  
10 indigent." Code Civ. Proc., § 384, subd. (b). The parties agree that any unclaimed funds should be  
11 allocated to the: State Treasury for deposit in the Trial Court Improvement and Modernization fund  
12 (an amount representing approximately 25%); State Treasury for deposit in the Equal Access Fund  
13 of the Judicial Branch (an amount representing approximately 25%); and Legal Aid Foundation of  
14 Los Angeles (an amount representing approximately 50%) to provide legal services for the indigent  
15 (the "Cy Pres Distribution").

16 This Stipulation (together with the exhibits hereto) has been duly executed by the  
17 undersigned signatories on behalf of their respective clients and reflects the final and binding  
18 agreement between the Settling Parties.

19 Plaintiffs, through counsel, have conducted a thorough investigation and pursued discovery  
20 relating to the claims and the underlying events and transactions alleged in the Action. Co-Lead  
21 Counsel has analyzed the evidence adduced during its investigation and through the discovery  
22 described above, and has also researched the applicable law with respect to the claims asserted in  
23 the Action and the potential defenses thereto. Additionally, the mediation statement prepared and  
24 exchanged between the Settling Parties, as well as Plaintiffs' and Defendants' respective  
25 presentations concerning potential damages should any liability be proven, have provided Plaintiffs  
26 with a detailed basis upon which to assess the relative strengths and weaknesses of their and  
27 Defendants' respective positions in the Action.

1           Based upon their investigation and prosecution of the Action, Plaintiffs and Co-Lead  
2 Counsel have concluded that the terms and conditions of the Settlement and this Stipulation are fair,  
3 reasonable, and adequate to, and in the best interests of, Plaintiffs and the other members of the  
4 Class. Based on their direct oversight of the prosecution of this litigation, along with the input of  
5 Co-Lead Counsel, and the participation and assistance of an experienced mediator, Plaintiffs have  
6 decided and agreed to settle the claims raised in the action pursuant to the terms and provisions of  
7 this Stipulation, after considering: (i) the benefits that Plaintiffs and the other members of the Class  
8 will receive from the resolution of the Action; (ii) the attendant risks of litigation; and (iii) the  
9 desirability of permitting the Settlement to be consummated as provided by the terms of this  
10 Stipulation. The Settlement and this Stipulation shall in no event be construed as, or deemed to be,  
11 evidence of a concession by Plaintiffs of any infirmity in the claims asserted in the action.

12           Defendants deny all allegations of wrongdoing, fault, liability, or damage to Plaintiffs and  
13 as well as each and every other member of the Class, and further deny that Plaintiffs have asserted  
14 a valid claim as to any of them. Defendants further deny that they engaged in any wrongdoing or  
15 committed, or aided or abetted, any violation of law or breach of duty and believe that they acted  
16 properly, in good faith, and in a manner consistent with their legal duties, to the extent any such  
17 duties existed, and are entering into this Settlement and Stipulation solely to avoid the substantial  
18 burden, expense, inconvenience, and distraction of continued litigation and to resolve each of the  
19 Released Plaintiffs' Claims (as defined below) as against the Released Defendant Parties (as defined  
20 below). The Settlement and this Stipulation shall in no event be construed as, or deemed to be,  
21 evidence of or an admission or concession on the part of any of the Defendants with respect to any  
22 claim or factual allegation or of any fault or liability or wrongdoing or damage whatsoever or any  
23 infirmity in the defenses that any of the Defendants have or could have asserted.

24           The Settling Parties recognize that the litigation has been filed and prosecuted by Plaintiffs  
25 in good faith and defended by Defendants in good faith and further that the Settlement Payment (as  
26 defined below) paid, and the other terms of the Settlement as set forth herein, were negotiated at  
27 arm's-length, in good faith, and reflect an agreement that was reached voluntarily after consultation  
28 with experienced legal counsel.

1           **NOW THEREFORE**, it is **STIPULATED AND AGREED**, by and among Plaintiffs  
2 (individually and on behalf of the Class), and Defendants that, subject to the approval of the Court  
3 and the other conditions set forth in Section F, for good and valuable consideration set forth herein  
4 and conferred on Plaintiffs and the Class, the sufficiency of which is acknowledged, the Action shall  
5 be finally and fully settled, compromised, and dismissed, on the merits and with prejudice, and that  
6 the Released Plaintiffs' Claims (as defined below) shall be finally and fully compromised, settled,  
7 released, discharged, and dismissed with prejudice against the Released Defendant Parties (as  
8 defined below), and that the Released Defendants' Claims (as defined below) shall be finally and  
9 fully compromised, settled, released, discharged, and dismissed with prejudice against the Released  
10 Plaintiffs Parties (as defined below), in the manner set forth herein.

11       **B.    DEFINITIONS**

12           1.     In addition to the terms defined elsewhere in this Stipulation, the following capitalized  
13 terms, used in this Stipulation and any exhibits attached hereto and made a part hereof, shall have  
14 the meanings given to them below:

15           a.     **"Account"** means the escrow account that is maintained by Co-Lead Counsel and into  
16 which the Settlement Payment shall be deposited. The funds deposited into the Account shall  
17 be invested in instruments backed by the full faith and credit of the U.S. Government or  
18 agency thereof, or if the yield on such instruments is negative, in an account fully insured by  
19 the U.S. Government or an agency thereof.

20           b.     **"Administrative Costs"** means all costs, expenses, and fees associated with  
21 administering or carrying out the terms of the Settlement. Administrative Costs are not part  
22 of the Fee and Expense Award.

23           c.     **"AST"** means American Stock Transfer and Trust Company.

24           d.     **"Claims"** means any and all manner of claims, demands, rights, liabilities, losses,  
25 obligations, duties, damages, diminutions in value, costs, debts, expenses, interest, penalties,  
26 fines, sanctions, fees, attorneys' fees, expert or consulting fees, Action, potential Action,  
27 causes of action, suits, agreements, judgments, decrees, matters, issues and controversies of  
28 any kind, nature or description whatsoever, for damages, equitable relief, or any other

1 remedy, whether disclosed or undisclosed, accrued or unaccrued, apparent or not apparent,  
2 foreseen or unforeseen, matured or not matured, suspected or unsuspected, liquidated or not  
3 liquidated, fixed or contingent, including known claims and unknown claims, whether direct,  
4 derivative, individual, class, representative, legal, equitable or of any other type, or in any  
5 other capacity, whether based on state, local, foreign, federal, statutory, regulatory, common  
6 or any other law, rule, or authority (including, without limitation, all claims within the  
7 exclusive jurisdiction of the federal courts, or any claims that could be asserted derivatively  
8 on behalf of the Company).

9 e. **“Class”** shall mean the putative class of former Anworth stockholders who held  
10 Anworth common stock from December 6, 2020 (the date of the Merger) through and  
11 including on March 19, 2021 (the date upon which Anworth’s Merger with Ready Capital  
12 was consummated), as well as purchasers of Anworth stock during the period from December  
13 6, 2020 through March 19, 2021 who still held Anworth stock as of March 19, 2021.

14 f. **“Class Member”** means a member of the Class.

15 g. **“Closing”** means the consummation of the Merger on March 19, 2021.

16 h. **“Closing Beneficial Ownership Position”** means, for each Eligible Beneficial  
17 Owner, the number of shares of Anworth common stock beneficially owned by such Eligible  
18 Beneficial Owner as of Closing, for which the Eligible Beneficial Owner received payment  
19 of the Merger Consideration; provided, however, no Excluded Shares may comprise any part  
20 of any Closing Beneficial Ownership Position.

21 i. **“Closing Security Position”** means, for each DTC Participant, the number of shares  
22 of Anworth common stock reflected on the DTC allocation report used by DTC to distribute  
23 the Merger Consideration.

24 j. **“Defendants’ Counsel”** means the law firm of Greenberg Traurig, LLP.

25 k. **“DTC”** mean Depository Trust Company.

26 l. **“DTC Participants”** means the DTC participants to which DTC distributed the  
27 Merger Consideration.



- 1 m. **“DTC Records”** mean the information to be obtained from DTC necessary to  
2 facilitate the DTC’s distribution of the Net Settlement Fund to Eligible Beneficial Owners.
- 3 n. **“Effective Date”** means the first date by which all of the events and conditions  
4 specified in Paragraph 10 of this Stipulation have been met and have occurred or have been  
5 waived.
- 6 o. **“Eligible Beneficial Owners”** means the ultimate beneficial owner of any shares of  
7 Anworth common stock at the Closing; provided, however, that no Excluded Stockholder  
8 may be an Eligible Beneficial Owner.
- 9 p. **“Eligible Class Members”** means Class Members, including Eligible Beneficial  
10 Owners or Eligible Registered Owners, who held shares of Anworth common stock at the  
11 Closing and therefore received or were entitled to receive the Merger Consideration for their  
12 Eligible Shares. For the avoidance of doubt, Eligible Class Members exclude all Excluded  
13 Stockholders.
- 14 q. **“Eligible Registered Owners”** means the record holders or registered owners of  
15 Anworth common stock who or which received or were entitled to receive the Merger  
16 Consideration.
- 17 r. **“Eligible Shares”** means shares of Anworth common stock held by Eligible Class  
18 Members at the Closing and for which Eligible Class Members received or were entitled to  
19 receive the Merger Consideration, except for the Excluded Shares.
- 20 s. **“Excluded Shares”** means the shares of Anworth common stock owned by the  
21 Excluded Stockholders.
- 22 t. **“Excluded Stockholders”** means (i) Defendants, their Immediate Family, and any  
23 trust or other entity affiliated with or controlled by any Defendant, other than employees of  
24 such entities who were not directors or officers of such entities as of the Closing; and (ii) any  
25 and all holders of Anworth common stock who timely and validly opted out of the Class and  
26 Settlement pursuant to Section J of this Stipulation.
- 27 u. **“Fee and Expense Award”** means an award to Co-Lead Counsel of fees and expenses  
28 to be paid from the Settlement Fund, approved by the Court and in full satisfaction of all

1 claims for attorneys' fees and expenses that have been, could be, or could have been asserted  
2 by Co-Lead Counsel or any other counsel or any Class Member with respect to the Settlement  
3 Fund or against Defendants. For the avoidance of doubt, the Fee and Expense Award does  
4 not include Administrative Costs, which are to be paid separately from the Settlement Fund.

5 v. **"Final,"** when referring to a dismissal with prejudice, Judgment or any other court  
6 order, means (i) if no appeal is filed, the expiration date of the time provided for filing or  
7 noticing any appeal; or (ii) if there is an appeal from the Judgment or order, (a) the date of  
8 final dismissal of all such appeals, or the final dismissal of any proceeding on certiorari or  
9 otherwise, or (b) the date the judgment or order is finally affirmed on an appeal, the expiration  
10 of the time to file a petition for a writ of certiorari or other form of review, or the denial of a  
11 writ of certiorari or other form of review, and, if certiorari or other form of review is granted,  
12 the date of final affirmance following review pursuant to that grant; provided, however, that  
13 any disputes or appeals relating solely to the amount, payment or allocation of attorneys' fees  
14 and expenses shall have no effect on finality for purposes of determining the date on which  
15 the Judgment becomes Final and shall not otherwise prevent, limit or otherwise affect the  
16 Judgment, or prevent, limit, delay or hinder entry of the Judgment.

17 w. **"Immediate Family"** means children, stepchildren and spouses (a "spouse" shall  
18 mean a husband, a wife, or a partner in a state-recognized domestic partnership or civil union).

19 x. **"Judgment"** means the Order and Final Judgment to be entered by the Court in all  
20 material respects in the form attached as Exhibit D hereto.

21 y. **"Long-Form Notice"** means the Notice of Pendency and Proposed Settlement of  
22 Stockholder Class Action, Settlement Hearing, and Right to Appear, substantially in the form  
23 attached hereto as Exhibit B, which is to be made available to Class Members via internet  
24 distribution and by first-class mail.

25 z. **"Merger Consideration"** means the \$0.61 in cash consideration and 0.1688 shares  
26 of Ready Capital common stock that Anworth stockholders were entitled to receive for each  
27 Anworth common share under the terms of the Merger.

1 aa. **“Net Settlement Fund”** means the Settlement Fund less (i) any and all Administrative  
2 Costs; (ii) any and all Taxes; (iii) any Fee and Expense Award; and (iv) any other fees, costs  
3 or expenses approved by the Court.

4 bb. **“Notice Costs”** means Initial Notice Costs and Excess Notice Costs combined.

5 cc. **“Per-Share Recovery”** means the per-share recovery under the Settlement, which  
6 will be calculated by dividing the total amount of the Net Settlement Fund by the total number  
7 of Eligible Shares held by all Eligible Class Members.

8 dd. **“Publication Notice”** means the Summary Notice of Pendency and Proposed  
9 Settlement of Stockholder Class Action, Settlement Hearing, and Right to Appear,  
10 substantially in the form attached hereto as Exhibit C, to be distributed via PR Newswire, or  
11 other suitable online newswire.

12 ee. **“Released Defendant Parties”** means Defendants, Joseph E. McAdams, Lloyd  
13 McAdams, Robert C. Davis, Mark S. Maron, and Dominique Mielle, as well as each of their  
14 respective past or present family members, spouses, heirs, trusts, trustees, executors, estates,  
15 administrators, beneficiaries, distributees, foundations, agents, employees, fiduciaries,  
16 partners, control persons, partnerships, general or limited partners or partnerships, joint  
17 ventures, member firms, limited liability companies, corporations, affiliates, parents,  
18 subsidiaries, divisions, associated entities, stockholders, principals, officers, managers,  
19 directors, managing directors, members, managing members, managing agents, insurers,  
20 predecessors, predecessors-in-interest, successors, successors-in-interest, assigns, financial  
21 or investment advisors, advisors, consultants, investment bankers, entities providing any  
22 fairness opinion, underwriters, brokers, dealers, lenders, commercial bankers, attorneys,  
23 personal or legal representatives, accountants, insurers, co-insurers, reinsurers, and  
24 associates.

25 ff. **“Released Defendants’ Claims”** means any and all Claims, including Unknown  
26 Claims, that have been or could have been asserted in the action, or in any court, tribunal,  
27 forum or proceeding, by the Released Defendant Parties or any of their respective successors  
28 and assigns against any of the Released Plaintiff Parties, which arise out of or relate in any

1 way to the institution, prosecution, settlement, or dismissal of the Action (or any of the  
2 unconsolidated actions); provided, however, that as used herein the term “Released  
3 Defendants’ Claims” shall not include the right to enforce this Stipulation or any part of it,  
4 and shall not include Claims based on the conduct of any of the Settling Parties which occurs  
5 after the Effective Date.

6 gg. **“Released Plaintiff Parties”** means (i) Plaintiffs and all other Class Members; (ii)  
7 members of each individual Class Member’s Immediate Family; (iii) all Class Members’ past  
8 or present, current or former, direct or indirect, affiliates, associates, members, partners,  
9 limited partners, general partners, partnerships, limited partnerships, general partnerships,  
10 investment funds, investment advisors, investment managers, investors, shareholders, joint  
11 venturers, subsidiaries, parents, divisions, subdivisions, predecessors, successors, officers,  
12 directors, employees, agents, principals, owners, representatives, advisors, insurers and  
13 attorneys (including Co-Lead Counsel) of Plaintiffs and the Class Members and their  
14 respective affiliates; and (iv) the past or present, current or former, direct or indirect legal  
15 representatives, heirs, executors, trustees, beneficiaries, administrators, trusts, trustees,  
16 predecessors, successors, predecessors-in-interest, successors-in-interest and assigns of any  
17 of the foregoing.

18 hh. **“Released Plaintiffs’ Claims”** means any and all Claims, including Unknown  
19 Claims, that were asserted or could have been asserted by Plaintiffs in the Action on behalf  
20 of themselves and/or the Class and that are based on, arise out of, relate in anyway, or involve  
21 the same set of operative facts as the claims asserted by Plaintiffs against the Released  
22 Defendant Parties in the Action and which relate to the sale of Anworth. The Released  
23 Plaintiffs’ Claims shall not include claims to enforce the Stipulation or any part of it, and shall  
24 not include claims based on the conduct of any of the Settling Parties that occurs after the  
25 Effective Date.

26 ii. **“Releases”** means the releases set forth in Paragraphs 3-4 of this Stipulation.

27 jj. **“Settlement”** means the settlement between the Settling Parties on the terms and  
28 conditions set forth in this Stipulation.

1 kk. **“Settlement Administrator”** means the settlement administrator selected by  
2 Plaintiffs to administer the settlement.

3 ll. **“Settlement Fund”** means the Settlement Payment plus any and all interest earned  
4 thereon.

5 mm. **“Final Approval Hearing”** means the hearing to be set by the Court to consider,  
6 among other things, final approval of the Settlement.

7 nn. **“Settlement Payment”** means the \$3,000,000 payment in accordance with Paragraph  
8 2(a) below.

9 oo. **“Taxes”** means: (i) all federal, state and/or local taxes of any kind on any income  
10 earned by the Settlement Fund; and (ii) the reasonable expenses and costs incurred by Co-  
11 Lead Counsel in connection with determining the amount of, and paying, any taxes owed by  
12 the Settlement Fund (including, without limitation, expenses of tax attorneys and  
13 accountants).

14 pp. **“Unknown Claims”** means any Released Plaintiffs’ Claims that the Released Plaintiff  
15 Parties do not know or suspect to exist in his, her, or its favor at the time of the release of the  
16 Released Plaintiffs’ Claims, and any Released Defendants’ Claims that any Defendant does  
17 not know or suspect to exist in his, her, or its favor at the time of the release of the Released  
18 Defendants’ Claims, which, if known by him, her, or it, might have affected his, her, or its  
19 decision(s) with respect to the Settlement. The Settling Parties acknowledge, and the other  
20 Class Members by operation of law are deemed to acknowledge, that they may discover facts  
21 in addition to or different from those now known or believed to be true with respect to the  
22 Released Plaintiffs’ Claims and the Released Defendants’ Claims, but that it is the intention  
23 of the Settling Parties, and by operation of law the other Class Members, to completely, fully,  
24 finally and forever extinguish any and all Released Plaintiffs’ Claims and Released  
25 Defendants’ Claims, known or unknown, suspected or unsuspected, which now exist, or  
26 heretofore existed, or may hereafter exist, and without regard to the subsequent discovery of  
27 additional or different facts. The Settling Parties also acknowledge, and the other Class  
28 Members by operation of law are deemed to acknowledge, that the inclusion of “Unknown

Claims” in the definition of the Released Plaintiffs’ Claims and the Released Defendants’ Claims is separately bargained for and is a key element of the Settlement.

**C. SETTLEMENT CONSIDERATION**

2. In consideration for the full and final release, settlement, and discharge of all Released Plaintiffs’ Claims against the Released Defendant Parties, the Settling Parties have agreed to the following consideration:

**(a) Settlement Payment:**

i. The Settlement Fund shall be used (a) to pay all Administrative Costs; (b) to pay all Taxes; (c) to pay any Fee and Expense award; (d) to pay any other fees, costs or expenses approved by the Court; and, following the payment of (a)-(d) herein, (e) for subsequent disbursement of the Net Settlement Fund to the Eligible Class Members as provided in Paragraph 2(b) herein. Under no circumstances shall any Defendant Released Party be liable or responsible for funding, contributing to, guaranteeing, or indemnifying any part of the Settlement Payment, except as outlined below.

ii. Within twenty-eight calendar days following preliminary approval of the Settlement by the Court, Defendants (or their insurers) shall cause \$3,000,000.00 USD (THREE MILLION U.S. DOLLARS) to be deposited into the Account, provided that Co-Lead Counsel has provided complete wire transfer information and instructions (including a bank account number, swift code/routing number, W-9, telephone and e-mail contact information, and a physical address for the designated recipient of the settlement payment) to Defendants’ Counsel and the insurers for the Defendants within twenty-eight calendar days prior to such date.

iii. The Settlement Fund—less all Notice Costs and Administrative Costs paid, incurred, or due consistent with this Stipulation—shall be returned, pursuant to written directions from Defendants’ Counsel, to the person(s) that paid the Settlement Payment within five business days of the termination of the Settlement in accordance with the terms of this Stipulation.

**(b) Distribution of the Settlement Fund:**

i. Within ten (10) business days of the execution of this Stipulation, Defendants and Defendants’ Counsel shall (through their contacts with the acquiring corporation, Ready Capital Corporation, and/or the stock transfer agent, AST) use good faith best efforts to facilitate Co-Lead

1 Counsel obtaining (x) a shareholder list and/or securities position report as of the close of the Merger  
2 sufficient for providing notice of the Settlement and payment to the Class (including the names and  
3 mailing addresses for all persons falling within the definition of the Class and/or all Eligible  
4 Registered Owners, the number of Eligible Shares held by such Eligible Registered Owners, and  
5 the account information, including financial institution and account numbers where the Eligible  
6 Shares were held); and (y) the name of each of the Excluded Stockholders, as well as the entity type,  
7 if applicable (e.g., trusts or companies).

8 ii. Following the Effective Date, the Net Settlement Fund will be disbursed to Eligible  
9 Class Members, each of which will receive a pro rata distribution from the Net Settlement Fund  
10 equal to the product of (a) the number of Eligible Shares held by the Eligible Class Member and (b)  
11 the Per-Share Recovery under the Settlement.

12 iii. With respect to Anworth common stock held of record by AST, the Settlement  
13 Administrator will cause that portion of the Net Settlement Fund to be allocated to Eligible  
14 Beneficial Owners who held their shares through DTC Participants to be paid to DTC. DTC shall  
15 then distribute that portion of the Net Settlement Fund among the DTC Participants by paying each  
16 the Per-Share Recovery times its respective Closing Security Position, using the same mechanism  
17 that DTC used to distribute the Merger Consideration and subject to payment suppression  
18 instructions with respect to Excluded Shares. The DTC Participants and their respective customers,  
19 including any intermediaries, shall then ensure pro rata payment to each Eligible Beneficial Owner  
20 in accordance with each Eligible Beneficial Owner's Closing Beneficial Ownership Position.

21 iv. With respect to Anworth common stock held of record as of the Closing other than by  
22 AST, as nominee for DTC (a "**Closing Non-AST Record Position**"), the payment with respect to  
23 each such Closing Non-AST Record Position shall be made by the Settlement Administrator from  
24 the Net Settlement Fund directly to the record owner of each Closing Non-AST Record Position in  
25 an amount equal to the Per-Share Recovery times the number of shares of Anworth common stock  
26 comprising such Closing Non-AST Record Position.

27 v. For the avoidance of doubt, to the extent that any record owner, any DTC Participants,  
28 or their respective customers, including any intermediaries, took or permitted action that had the

1 effect of increasing the number of shares of Anworth common stock entitled to payment of the  
2 Merger Consideration, whether through permitting naked short-selling or the cash settlement of  
3 short positions or through any other means (“**Increased Merger Consideration Entitlements**”),  
4 such record owner, DTC Participants, or their respective customer (including intermediaries) shall  
5 be responsible for paying to the ultimate beneficial owners of such Increased Merger Consideration  
6 Entitlements an amount equal to the Per-Share Recovery times the number of the Increased Merger  
7 Consideration Entitlements.

8 vi. For the avoidance of doubt, a person or entity who acquired shares of Anworth  
9 common stock on or before March 19, 2021 (the date the Merger closed) but had not settled those  
10 shares at the Merger’s Closing (“**Non-Settled Shares**”) shall be treated as an Eligible Beneficial  
11 Owner with respect to those Non-Settled Shares (except for the Excluded Shares), and a person who  
12 sold those Non-Settled Shares on or before March 19, 2021 shall not be treated as an Eligible  
13 Beneficial Owner with respect to those Non-Settled Shares.

14 vii. Payment from the Net Settlement Fund made pursuant to and in the manner set forth  
15 above shall be deemed conclusive of compliance with this Stipulation.

16 viii. Defendants and any other Excluded Stockholder shall not have any right to receive  
17 any part of the Settlement Fund for his, her, or its own account(s) (i.e., accounts in which he, she or  
18 it holds a proprietary interest), or any additional amount based on any claim relating to the fact that  
19 Settlement proceeds are being received by any other stockholder, in each case under any theory,  
20 including but not limited to contract, application of statutory or judicial law, or equity.

21 ix. In the event that any payment from the Net Settlement Fund is undeliverable or in the  
22 event a check is not cashed by the stale date (i.e., more than six months from the check’s issue date),  
23 the DTC Participants or the holder of a Closing Non-AST Record Position shall follow their  
24 respective policies with respect to further attempted distribution or escheatment.

25 x. Co-Lead Counsel shall be responsible for supervising the administration of the  
26 Settlement and the disbursement of the Net Settlement Fund subject to Court approval. Co-Lead  
27 Counsel believe that this proposed administration and distribution represents a fair and efficient  
28



1 means of applying the settlement consideration towards the resolution of all the claims and damages  
2 alleged in the Action.

3 xi. The Net Settlement Fund shall be distributed to Eligible Class Members only after the  
4 Effective Date of the Settlement and after: (a) all Administrative Costs, including Notice Costs, and  
5 Taxes, and any Fee and Expense Award, have been paid from the Settlement Fund or reserved; and  
6 (b) the Court has entered an order authorizing the specific distribution of the Net Settlement Fund  
7 (the “**Class Distribution Order**”). Co-Lead Counsel will apply to the Court, on notice to  
8 Defendants’ Counsel, for the Class Distribution Order.

9 xii. Payment pursuant to the Class Distribution Order shall be final and conclusive against  
10 all Class Members. Plaintiffs and Defendants, as well as their respective counsel, shall have no  
11 liability whatsoever for the investment or distribution of the Settlement Fund or the Net Settlement  
12 Fund, the determination, administration, or calculation of any payment from the Net Settlement  
13 Fund, the nonperformance of the Settlement Administrator or a nominee holding shares on behalf  
14 of an Eligible Class Member, the payment or withholding of Taxes (including interest and penalties)  
15 owed by the Settlement Fund, or any losses incurred in connection therewith.

16 xiii. All proceedings with respect to the administration of the Settlement and distribution  
17 pursuant to the Class Distribution Order shall be subject to the exclusive jurisdiction of the Court.

18 (c) **Costs of Distribution:**

19 Co-Lead Counsel shall pay out of the Account all Administrative Costs associated with the  
20 allocation and distribution of the Net Settlement Fund (including the costs, if any, associated with  
21 escheat).

22 (d) **Investment and Disbursement of the Settlement Fund:**

23 i. The Settlement Fund deposited in accordance to Paragraph 2(a) above shall be  
24 invested in instruments backed by the full faith and credit of the United States Government or fully  
25 insured by the United States Government or an agency thereof, or if the yield on such instruments  
26 is negative, in an account fully insured by the United States Government or an agency thereof, and  
27 the proceeds of these instruments shall be reinvested as they mature in similar instruments at then-  
28

1 current market rates. The Settlement Fund shall bear all risks related to investment of the Settlement  
2 Fund and any proceeds thereof.

3 ii. The Settlement Fund shall not be disbursed except as provided in the Stipulation or  
4 by an order of the Court.

5 iii. The Settlement Fund shall be deemed and considered to be in *custodial legis* of the  
6 Court, and shall remain subject to the exclusive jurisdiction of that Court, until such time as such  
7 funds shall be distributed in accordance to the Stipulation and/or further order(s) of the Court.

8 **D. SCOPE OF THE SETTLEMENT**

9 3. Upon the Effective Date, the Released Plaintiff Parties shall thereupon be deemed to  
10 have fully, finally and forever, released, settled and discharged the Released Defendant Parties from  
11 and with respect to every one of the Released Plaintiffs' Claims, and shall thereupon be forever  
12 barred and enjoined from commencing, instituting, prosecuting, or continuing to prosecute or  
13 pursuing in any fashion any Released Plaintiffs' Claims against any of the Released Defendant  
14 Parties.

15 4. Upon the Effective Date, each of Released Defendant Parties shall thereupon be  
16 deemed to have fully, finally and forever, released, settled and discharged the Released Plaintiff  
17 Parties from and with respect to every one of the Released Defendants' Claims, and shall thereupon  
18 be forever barred and enjoined from commencing, instituting or prosecuting or pursuing in any  
19 fashion any of the Released Defendants' Claims against any of the Released Plaintiff Parties.

20 5. The contemplated releases given by the Settling Parties in this Stipulation extend to  
21 Released Plaintiffs' Claims and Released Defendants' Claims (collectively, "Released Claims") that  
22 the Settling Parties did not know or suspect to exist at the time of the release, which if known, might  
23 have affected the decision to enter into this Stipulation.

24 6. For the avoidance of doubt, upon the occurrence of the Effective Date, Defendants  
25 shall be dismissed with prejudice from the Action regarding all Class Members (including Plaintiffs)  
26 without the award of any damages, costs, or fees or the grant of further relief except for the payments  
27 provided in Paragraph 2(a).  
28

1     **E.     SUBMISSION OF THE SETTLEMENT TO THE COURT FOR APPROVAL**

2             7.     As soon as practicable after execution of this Stipulation, Plaintiffs shall (i) apply to  
3     the Court for entry of an Order in the form attached hereto as Exhibit A (the “**Preliminary Approval**  
4     **Order**”), providing for, among other things: (a) the preliminary approval of the Settlement; (b)  
5     dissemination by mail of the Notice of Pendency and Proposed Settlement of Class Action (the  
6     “**Long-Form Notice**”), substantially in the form attached hereto as **Exhibit B**; (c) the publication  
7     of the Summary Notice of Pendency and Proposed Settlement of Class Action with Defendants (the  
8     “**Publication Notice**”), substantially in the form attached hereto as **Exhibit C**<sup>2</sup>; and (d) the  
9     scheduling of the Final Approval Hearing to consider: (1) the proposed Settlement, (2) the request  
10    that the Judgment be entered in all material respects in the form attached hereto as **Exhibit D**, (3)  
11    Co-Lead Counsel’s application for an award of attorneys’ fees and expenses, and (4) any objections  
12    to any of the foregoing; and (ii) take all reasonable and appropriate steps to seek and obtain entry  
13    of the Preliminary Approval Order.

14            8.     Plaintiffs shall request at the Final Approval Hearing that the Court approve the  
15    Settlement and enter the Judgment.

16            9.     The Settling Parties shall take all reasonable and appropriate steps to obtain Final  
17    entry of the Judgment in all material respects in the form attached hereto as Exhibit D.

18     **F.     CONDITIONS OF SETTLEMENT**

19            10.    The Effective Date of the Settlement shall be deemed to occur on the occurrence or  
20    waiver of all of the following events, which the Settling Parties shall use their best efforts to achieve:

21            (a)    the Court’s entry of the Preliminary Approval Order in all material respects in the  
22    form attached hereto as **Exhibit A**;

23            (b)    the Court’s entry of the Judgment in all material respect in the form attached hereto  
24    as **Exhibit D**;

25            (c)    the Judgment becoming Final; and  
26

27     \_\_\_\_\_  
28     <sup>2</sup>     Collectively, the Long-Form Notice and Publication Notice shall be referred to as the  
      “Notice.”

(e) the full amount of the \$3,000,000 Settlement Payment having been paid into the Account in accordance with Paragraph 2(a) above.

11. Upon the occurrence of the Effective Date, any and all remaining interest or right of Defendants in or to the Settlement Fund, if any, shall be absolutely and forever extinguished and the Releases herein shall be effective.

**G. ATTORNEYS' FEES AND EXPENSES; INCENTIVE AWARDS**

12. Co-Lead Counsel will apply to the Court for (a) an award of attorneys' fees, expenses, and costs incurred in connection with prosecuting the Litigation, plus any interest on such attorneys' fees, expenses, and costs at the same rate and for the same period as earned in the Settlement Fund (the "**Fee and Expense Award**"), plus (b) an Incentive Award to the Class Representatives for their time and expenses in representing the Class. Co-Lead Counsel's Fee and Expense Award and/or the Incentive Award is and will not be the subject of any agreement between Defendants and Plaintiffs or their respective counsel.

13. An amount equal to the Fee and Expense Award shall be payable to Co-Lead Counsel from the Settlement Fund immediately upon the occurrence of the Effective Date. Similarly, Payment of the Incentive Award shall be made from the Settlement Fund.

14. The disposition of the Fee and Expense Award and/or Incentive Award is not a material term of this Stipulation, and it is not a condition of this Stipulation that such application be granted. The Fee and Expense Award and/or Incentive Award may be considered separately from the proposed Stipulation. Any disapproval or modification of the Fee and Expense Award and/or Incentive Award by the Court or on appeal shall not affect or delay the enforceability of this Stipulation, provide any of the Settling Parties with the right to terminate the Settlement, or affect or delay the binding effect or finality of the Judgment and the release of the Released Plaintiffs' Claims. Final resolution of the Fee and Expense Award and/or Incentive Award shall not be a condition to the dismissal, with prejudice, of the Action as to Defendants or effectiveness of the releases of the Released Plaintiffs' Claims.

15. Co-Lead Counsel shall allocate the attorneys' fees awarded in a manner which they, in good faith and in their sole discretion, determine and believe is fair and equitable. Defendants

1 and their counsel shall have no responsibility, authority, or liability with respect to the allocation of  
2 any fee and expense award among Plaintiffs' counsel in the Action.

### 3 **H. STAY PENDING COURT APPROVAL**

4 16. The Settling Parties agree not to initiate any proceedings related to the Action or  
5 prosecution of the Action against Defendants other than those incident to the Settlement itself  
6 pending the occurrence of the Effective Date. The Settling Parties also agree to use their reasonable  
7 best efforts to seek the stay and dismissal of, and to oppose entry of any interim or final relief in  
8 favor of any Class Member in any other proceedings which challenge the Settlement or the Merger  
9 or otherwise assert or involve the commencement or prosecution of any Released Plaintiffs' Claims,  
10 either directly, representatively, derivatively, or in any other capacity, against any Released  
11 Defendant Party.

12 17. The Settling Parties will request the Court to order (in the Preliminary Approval  
13 Order) that, pending final determination of whether the Settlement should be approved, Plaintiffs  
14 and all Class Members are barred and enjoined from commencing, prosecuting, instigating, or in  
15 any way participating in the commencement or prosecution of any Released Plaintiffs' Claim, either  
16 directly, representatively, derivatively, or in any other capacity, against any Released Defendant  
17 Party.

### 18 **I. TAXES**

19 18. The Settling Parties agree that the Settlement Fund together with all interest earned  
20 on the Settlement Fund is intended to be a "qualified settlement fund" within the meaning of Treas.  
21 Reg. § 1.468B-1. The Settlement Administrator shall timely make such elections as necessary or  
22 advisable to carry out the provisions of this Section I, including, if necessary, the "relation-back  
23 election" (as defined in Treas. Reg. § 1.468B-1(j)(2)) back to the earliest permitted date. Such  
24 elections shall be made in compliance with the procedures and requirements contained in such  
25 Treasury regulations promulgated under § 1.468B of the Internal Revenue Code of 1986. It shall  
26 be the responsibility of the Settlement Administrator to timely and properly prepare and deliver the  
27 necessary documentation for signature by all necessary parties, and thereafter to cause the  
28 appropriate filing to occur, and send copies of such filings to all counsel for the parties in the Action.

1           19. The Settlement Administrator shall timely and properly file all informational and  
2 other tax returns necessary or advisable with respect to the Settlement Fund (including, without  
3 limitation, the returns described in Treas. Reg. § 1.468B-2(k)). Such returns (as well as the election  
4 described in Paragraph 18 above) shall be consistent with this Section I and in all events shall reflect  
5 that all taxes (including any estimated taxes, interest or penalties) on the income earned by the  
6 Settlement Fund shall be paid out of the Settlement Fund as provided in Paragraph 22 below.

7           20. All taxes shall be paid timely out of the Settlement Fund, as directed and administered  
8 by Co-Lead Counsel, without further order of the Court. Any tax returns prepared for the Settlement  
9 Fund (as well as the election set forth herein) shall be consistent with this Section I and in all events  
10 shall reflect that all taxes on the income earned by the Settlement Fund shall be paid out of the  
11 Settlement Fund, as provided herein, and shall be timely filed by the Settlement Administrator, who  
12 shall send copies of such filings to counsel for all parties in the Action. Any costs for the preparation  
13 of applicable tax returns shall be paid from the Settlement Fund. Defendants and Released  
14 Defendant Parties shall not bear any tax liability in connection with the Settlement Fund, including  
15 any liability for income taxes owed by any Class Member by virtue of their receipt of payment from  
16 the Settlement Fund.

17           21. Defendants and their counsel agree to cooperate with Co-Lead Counsel as responsible  
18 for overseeing the administration of the Settlement Fund, and their tax attorneys, accountants and/or  
19 the Settlement Administrator, to the extent reasonably necessary to carry out and accomplish the  
20 provisions of this Section and of this Stipulation.

21       **J. OPT-OUT RIGHTS**

22           22. Prospective members of the Class shall have the right to opt out of, and request  
23 exclusion from, the Class and Settlement. Any prospective member of the Class who does not  
24 timely and validly request exclusion from the Class and Settlement shall be a Class Member and  
25 shall be bound by the terms of this Stipulation, the Settlement and Judgment. Any prospective  
26 member of the Class who timely and validly requests exclusion from the Class and Settlement shall  
27 be excluded from the Class and the Settlement.

1           23. The Notice shall describe the procedure whereby prospective members of the Class  
2 may exclude themselves from the Class and Settlement, which shall, at a minimum, provide that  
3 any such requests must be made in writing, no later than twenty-one (21) days prior to the Final  
4 Approval Hearing, and mailed by First-Class Mail postmarked to the address designated in the  
5 Notice.

6       **K. TERMINATION OF SETTLEMENT; EFFECT OF TERMINATION; EFFECT OF**  
7       **PARTIAL APPROVAL OF SETTLEMENT**

8           24. Subject to Paragraph 26 below, if either (i) the Court finally refuses to enter the  
9 Judgment in any material respect or alters the Judgment in any material respect prior to entry, or (ii)  
10 the Court enters the Judgment but on or following appellate review, the Judgment is modified or  
11 reversed in any material respect, the Settlement and this Stipulation shall be canceled and terminated  
12 unless each of the Settling Parties to this Stipulation, within ten business days from receipt of such  
13 ruling, agrees in writing with the other Settling Parties hereto to proceed with this Stipulation and  
14 Settlement, including only with such modifications, if any, as to which all other Settling Parties in  
15 their sole judgment and discretion may agree. In addition to the foregoing, Plaintiffs shall have the  
16 right to cancel and terminate the Settlement and this Stipulation in the event that the Settlement  
17 Payment is not timely paid in accordance with Paragraph 2(a) above. For purposes of this paragraph,  
18 an intent to proceed shall not be valid unless it is expressed in a signed writing. Neither a  
19 modification nor a reversal on appeal of the amount of fees, costs and expenses awarded by the  
20 Court to Co-Lead Counsel shall be deemed a material modification of the Judgment or this  
21 Stipulation.

22           25. In addition to the foregoing, and subject to Paragraph 26 below, Defendants shall also  
23 have the option (which must be exercised unanimously by all Defendants with capacity to do so),  
24 but not the obligation, to terminate the Settlement and render this Stipulation null and void in the  
25 event that the aggregate number of shares of Anworth common stock held by persons or entities  
26 who would otherwise be Eligible Class Members, but who timely and validly opt out of the Class  
27 and Settlement pursuant to Paragraphs 22-23 above, exceeds the level (the “Opt-Out Threshold”)  
28 as set forth in a separate agreement (the “Supplemental Side Agreement”) executed between Co-

1 Lead Counsel and Defendants' Counsel on behalf of their respective clients. The Opt-Out Threshold  
2 may be disclosed to the Court for purposes of approval of the Settlement set forth in this Stipulation,  
3 as may be required by the Court, but such disclosure shall be carried out to the fullest extent possible  
4 in accordance with the practices of the Court so as to maintain the confidentiality of the  
5 Supplemental Side Agreement.

6 26. If this Stipulation is disapproved, canceled, or terminated pursuant to its terms or the  
7 Effective Date of the Settlement otherwise fails to occur, (i) Plaintiffs and Defendants shall be  
8 deemed to have reverted to their respective litigation status immediately before the execution of the  
9 Stipulation, they shall negotiate a new case schedule for the Action in good faith, and they shall  
10 proceed as if the Stipulation had not been executed and the related orders had not been entered; (ii)  
11 all of their respective claims and defenses as to any issue in the Action shall be preserved without  
12 prejudice in any way; and (iii) the statements made in connection with the negotiations of this  
13 Stipulation shall not be deemed to prejudice in any way the positions of any of the Settling Parties  
14 with respect to the Action, or to constitute an admission of fact of wrongdoing by any Settling Party,  
15 shall not be used or entitle any Settling Party to recover any fees, costs, or expenses incurred in  
16 connection with the Action, and neither the existence of this Stipulation nor its contents nor any  
17 statements made in connection with its negotiation or any settlement communications shall be  
18 admissible in evidence or shall be referred to for any purpose in the Action, or in any other litigation  
19 or judicial proceeding.

20 **L. MISCELLANEOUS PROVISIONS**

21 27. All of the exhibits attached hereto are incorporated by reference as though fully set  
22 forth herein. Notwithstanding the foregoing, if a conflict or inconsistency exists between the terms  
23 of this Stipulation and the terms of any exhibit attached hereto, the terms of the Stipulation shall  
24 prevail.

25 28. Defendants warrant that, as to the payments made or to be made on behalf of them, at  
26 the time of entering into this Stipulation and at the time of such payment they, or to the best of their  
27 knowledge any persons or entities contributing to the payment of the Settlement Payment, were not  
28 insolvent, nor will the payment required to be made by or on behalf of them render them insolvent,



1 within the meaning of and/or for the purposes of the United States Bankruptcy Code, including §§  
2 101 and 547 thereof.

3 29. The Settling Parties intend this Stipulation and the Settlement to be a final and  
4 complete resolution of all disputes asserted or which could be asserted by Plaintiffs and any other  
5 Class Members against the Released Defendant Parties with respect to the Released Plaintiffs'  
6 Claims. Accordingly, Plaintiffs and their counsel and Defendants and their counsel agree not to  
7 assert in any forum that the Action was brought by Plaintiffs or defended by Defendants, as well as  
8 their respective counsel, in bad faith or without a reasonable basis. The Settling Parties agree that  
9 the amounts paid and the other terms of the Settlement were negotiated at arm's-length and in good  
10 faith by the Settling Parties, including through a mediation process supervised and conducted by  
11 Michelle Yoshida of Phillips ADR, and reflect the Settlement that was reached voluntarily after  
12 extensive negotiations and consultation with experienced legal counsel, who were fully competent  
13 to assess the strengths and weaknesses of their respective clients' claims or defenses.

14 30. The Settling Parties and their counsel shall not make any accusations of wrongful or  
15 actionable conduct by any Settling Party concerning the prosecution, defense, and resolution of the  
16 Action, and shall not otherwise suggest that the Settlement constitutes an admission of any claim or  
17 defense alleged in the Action.

18 31. The terms of the Settlement, as reflected in this Stipulation, may not be modified or  
19 amended, nor may any of its provisions be waived except by a writing signed on behalf of all Settling  
20 Parties (or their successors-in-interest).

21 32. The headings herein are used for the purpose of convenience only and are not intended  
22 by the Settling Parties to, and shall not, have legal effect.

23 33. The administration and consummation of the Settlement as embodied in this  
24 Stipulation shall be under the authority of the Court, and that Court shall retain exclusive jurisdiction  
25 for the purpose of entering orders providing for awards of attorneys' fees and expenses to Co-lead  
26 Counsel, and enforcing the terms of this Stipulation, including the distribution of the Net Settlement  
27 Fund to Class Members or enforcement of any judgment.

1           34. The waiver by one Party of any breach of this Stipulation by any other Party shall not  
2 be deemed a waiver of any other prior or subsequent breach of this Stipulation.

3           35. This Stipulation and its exhibits constitute the entire agreement among the Settling  
4 Parties concerning the Settlement and this Stipulation and its exhibits. All Parties acknowledge that  
5 no other agreements, representations, warranties, or inducements have been made by any Party  
6 hereto concerning this Stipulation or its exhibits other than those contained and memorialized in  
7 such documents.

8           36. This Stipulation may be executed in one or more counterparts, including by signature  
9 transmitted via facsimile, or by a .pdf/.tiff image of the signature transmitted via email. All executed  
10 counterparts and each of them shall be deemed to be one and the same instrument.

11           37. This Stipulation shall be binding upon and inure to the benefit of the successors and  
12 assigns of the Settling Parties, as well as the Released Plaintiff Parties and Released Defendant  
13 Parties, and any corporation, partnership, or other entity into or with which any such party hereto  
14 may merge, consolidate or reorganize.

15           38. The construction, interpretation, operation, effect and validity of this Stipulation and  
16 all documents necessary to effectuate it shall be governed by the laws of the State of California  
17 without regard to conflicts of laws.

18           39. Any action arising under or to enforce this Stipulation or any portion thereof shall be  
19 commenced and maintained only in the Court.

20           40. This Stipulation shall not be construed more strictly against one Settling Party than  
21 another merely by virtue of the fact that it, or any part of it, may have been prepared by counsel for  
22 one of the Settling Parties, it being recognized that it is the result of arm's-length negotiations  
23 between the Settling Parties and that all Settling Parties have contributed substantially and  
24 materially to the preparation of this Stipulation.

25           41. All counsel and all other persons executing this Stipulation and any of the exhibits  
26 hereto, or any related Settlement documents, warrant and represent that they have the full authority  
27 to do so and that they have the authority to take appropriate action required or permitted to be taken  
28 pursuant to the Stipulation to effectuate its terms.

1           42. Co-Lead Counsel and Defendants' Counsel agree to cooperate fully with one another  
2 in seeking from the Court the Preliminary Approval Order, as embodied in this Stipulation, and to  
3 use best efforts to promptly agree upon and execute all such other documentation as may be  
4 reasonably required to obtain final approval by the Court of the Settlement.

5           43. If any Settling Party is required to give notice to another Settling Party under this  
6 Stipulation, such notice shall be in writing and shall be deemed to have been duly given upon receipt  
7 of hand delivery or facsimile or email transmission, with confirmation of receipt. Notice shall be  
8 provided as follows:

9           If to Plaintiffs, Co-Lead Counsel:

**MONTEVERDE & ASSOCIATES PC**

Attn: Juan E. Monteverde  
The Empire State Building  
350 Fifth Avenue, Suite 4405  
New York, NY 10118  
Tel: (212) 971-1341  
Fax: (212) 601-2610  
Email: [jmonteverde@monteverdelaw.com](mailto:jmonteverde@monteverdelaw.com)

**KAHN SWICK & FOTI, LLC**

Michael Palestina  
1100 Poydras Street, Suite 3200  
New Orleans, LA 70163  
Tel: (504) 455-1400  
Fax: (504) 455-1498  
Email: [michael.palestina@ksfcounsel.com](mailto:michael.palestina@ksfcounsel.com)

19  
20           If to Defendants:

**GREENBERG TRAURIG, LLP**

Attn: Daniel J. Tyukody  
1840 Century Park East  
Suite 1900  
Los Angeles, CA 90067  
Tel: (310) 586-7723  
Email: [tyukodyd@gtlaw.com](mailto:tyukodyd@gtlaw.com)

25           44. Except as otherwise provided herein, each Settling Party shall bear its own costs.

26           45. Whether or not the Stipulation is approved by the Court and whether or not the  
27 Stipulation is consummated, or the Effective Date occurs, the Settling Parties and their counsel shall  
28

1 use their best efforts to keep all negotiations, discussions, acts performed, agreements, drafts,  
2 documents signed and proceedings in connection with the Stipulation confidential.

3 46. All agreements made and orders entered during the course of the Action relating to  
4 the confidentiality of information shall survive this Settlement and be continuing, as limited only  
5 by the requirements of applicable California law.

6 47. No opinion or advice concerning the tax consequences of the proposed Settlement to  
7 individual Class Members is being given or will be given by the Settling Parties or their counsel;  
8 nor is any representation or warranty in this regard made by virtue of this Stipulation. Each Class  
9 Member's tax obligations, and the determination thereof, are the sole responsibility of the Class  
10 Member, and it is understood that the tax consequences may vary depending on the particular  
11 circumstances of each individual Class Member.

12  
13 Date: February 24, 2023

**MONTEVERDE & ASSOCIATES PC**

14 By: David E. Bower  
15 David Bower (SBN 119546)  
16 600 Corporate Pointe, Suite 1170  
17 Culver City, CA 90230  
18 Tel: (310) 446-6652  
19 -and -  
20 Juan E. Monteverde (admitted *pro hac vice*)  
21 The Empire State Building  
22 350 Fifth Ave., Suite 4405  
23 New York, NY 10118  
24 Telephone: (212) 971-1341  
25 Facsimile: (212) 202-7880

26  
27 Date: February 24, 2023

**KAHN SWICK & FOTI, LLC**

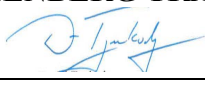
28 By: Michael J. Palestina  
Michael Palestina (admitted *pro hac vice*)  
1100 Poydras Street, Suite 3200  
New Orleans, LA 70163  
Tel: (504) 455-1400  
Fax: (504) 455-1498  
Email: [michael.palestina@ksfcounsel.com](mailto:michael.palestina@ksfcounsel.com)

Co-Lead Counsel for the Class

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Date: February 24, 2023

**GREENBERG TRAURIG, LLP**

By:   
\_\_\_\_\_  
Daniel J. Tyukody  
1840 Century Park East  
Suite 1900  
Los Angeles, CA 90067  
Tel: (310) 586-7723

Counsel for Defendants Joseph E. McAdams,  
Lloyd McAdams, Robert C. Davis, Mark S.  
Maron, and Dominique Mielle