

**SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF LOS ANGELES**

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

Plaintiff,

vs.

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

Defendants.

Lead Case No. **21STCV07569**

Consolidated with cases 21STCV07571
and 21STCV08413

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

**[PROPOSED] ORDER AND FINAL
JUDGMENT**

Action Filed: February 24, 2021

1 This matter having come before the Superior Court of the State of California for the County
2 of Los Angeles (the “Court”) for hearing (the “Settlement Hearing”) on a motion for final approval
3 of the terms of the Amended Stipulation and Agreement of Settlement, Compromise and Release
4 dated June 15, 2023 (the “Stipulation”)³; and due and adequate notice of the Settlement Hearing
5 having been given to the Class as ordered in the Court’s __, 2023 Order Granting Preliminary
6 Approval of Class Action Settlement and Providing for Notice (the “Order”); and the Court having
7 considered the papers filed and proceedings herein and otherwise being fully informed, and good
8 cause appearing therefore, it is now ORDERED, ADJUDGED AND DECREED THAT:

9 1. This Court has jurisdiction over the subject matter of this Action and over all of the
10 parties to the Action, including all members of the Class.

11 2. This Order and Final Judgment (the “Judgment”) incorporates and makes part hereof
12 to the Stipulation and (i) the Court-approved Long-Form Notice and (ii) Publication Notice
13 (collectively, the “Notice”), which were filed with the Court as Exhibits B and C to the Stipulation.

14 3. The Notice given to the Class was the best practicable under the circumstances,
15 including individual notice to all members of the Class who could be identified through reasonable
16 effort along with the Publication Notice. The Notice provided due and adequate notice of the Action
17 and of the matters set forth in the Stipulation, including the Settlement, and the Notice fully satisfied
18 the requirements of state law and due process, and any other applicable law, statute or rule. A full
19 opportunity to be heard has been afforded to all Parties and the Class.

20 4. Pursuant to §382 of the California Code of Civil Procedure and consistent with the
21 preliminary certification granted in the Order, the Court hereby finally certifies a Class, for purposes
22 of settlement only, of all record and beneficial holders and owners of Anworth common stock, from
23 December 6, 2020 through and including March 19, 2021 (the date of the consummation of the
24 Merger), including any and all of their respective successors-in-interest, successors, predecessors-
25 in-interest, predecessors, representatives, trustees, executors, administrators, estates, heirs, assigns
26 and transferees, immediate and remote, and any person or entity acting for or on behalf of, or

27 _____
28 ³ Except as otherwise expressly provided herein, all capitalized terms shall have the same
meanings and/or definitions as set forth in the Stipulation.

1 claiming under, any of them, and each of them, together with their predecessors-in-interest,
2 predecessors, successors-in-interest, successors, and assigns, but excluding: (i) Defendants, their
3 Immediate Family, and any trust or other entity affiliated with or controlled by any Defendant, other
4 than employees of such entities who were not directors or officers of such entities as of the Closing;
5 (ii) any and all record and beneficial owners and holders of Anworth common stock who timely and
6 validly opt out of the Class and Settlement pursuant to the procedures set forth in the Court's Order.

7 5. The Court hereby finds that the Settlement as set forth in the Stipulation should be
8 approved in that the Settlement is, in all respects, fair, reasonable, and adequate to the Class.
9 Accordingly, the Stipulation and the terms of the Settlement, as described in the Stipulation, are
10 hereby approved in their entirety, pursuant to the requirements of §382 of the California Code of
11 Civil Procedure and Rule 3.769 of the California Rules of Court. The Parties are hereby directed to
12 effectuate the Settlement according to the terms of the Stipulation. The Parties and all Class
13 Members are hereby bound by this Judgment and by the terms of the Settlement as set forth in the
14 Stipulation.

15 6. The Parties are to bear their own costs and fees, except as otherwise provided in the
16 Stipulation.

17 7. Upon the Effective Date, Plaintiffs, each and every Class Member, and all other
18 Released Plaintiff Parties shall be deemed to have, and by operation of this Judgment shall have,
19 fully, finally, and forever waived, released, relinquished, any and all Released Plaintiffs' Claims,
20 which, as defined in the Stipulation, means any and all Claims, including Unknown Claims (as
21 defined in the Stipulation) that were asserted or could have been asserted by Plaintiffs in the Action
22 on behalf of themselves and/or the Class, and that are based on, arise out of, relate in any way, or
23 involve the same set of operative facts as the claims asserted by Plaintiffs against the Released
24 Defendant Parties in the Actions and which relate to the sale of Anworth; *provided, however*, that
25 the term Released Plaintiffs' Claims shall not include claims to enforce the Stipulation or any part
26 of it, and shall not include claims based on the conduct of any of the Settling Parties that occurs
27 after the Effective Date.

28 8. Upon the Effective Date, Plaintiff's each and every Class Member, and all other

1 Released Plaintiff Parties shall be deemed to have fully, finally, and forever, released, settled, and
2 discharged the Released Defendant Parties from and with respect to every one of the Released
3 Plaintiffs' Claims, and shall thereupon be forever barred and enjoined from commencing,
4 instituting, prosecuting, or continuing to prosecute any Released Plaintiffs' Claims against any of
5 the Released Defendant Parties.

6 9. Upon the Effective Date, each of the Released Defendant Parties shall be deemed to
7 have, and by operation of this Judgment shall have, fully, finally, and forever released, relinquished,
8 and discharged Released Plaintiff Parties from the Released Defendants' Claims.

9 10. Neither this Judgment, the Stipulation nor the Settlement, nor any act performed or
10 document executed pursuant to or in furtherance of the Stipulation or the Settlement: (a) is or may
11 be deemed to be, or may be used as, a presumption, concession, or admission of, or evidence of, the
12 validity of any Released Plaintiffs' Claim or of any wrongdoing or liability of the Released
13 Defendant Parties; or (b) is or may be deemed to be, or may be used as, a presumption, concession,
14 or admission of, or evidence of, any fault or omission of any of the Released Defendant Parties in
15 any civil, criminal, or administrative proceeding in any court, administrative agency, or other
16 tribunal; or (c) is or may be deemed to be an admission or evidence that any claims asserted by
17 Plaintiff or his counsel were not valid in any civil, criminal, or administrative proceeding. The
18 Released Defendant Parties may file the Stipulation and/or this Judgment in any action that may be
19 brought against them in order to support a defense or counterclaim based on principles of res
20 judicata, collateral estoppel, release, good faith settlement, judgment bar or reduction, or any other
21 theory of claim preclusion or issue preclusion or similar defense or counterclaim.

22 11. The Action is hereby concluded, provided however, and without affecting the finality
23 of this Judgment in any way, this Court hereby retains jurisdiction over: (a) interpretation,
24 implementation and enforcement of the Stipulation; and (b) all parties hereto for the purpose of
25 enforcement and administration of the Settlement. This Judgment shall not discharge or release any
26 claim to enforce, or any claim arising out of or relating to, any breach of the Stipulation.

27 12. In the event that the Settlement does not become effective in accordance with the
28 terms of the Stipulation, or the Effective Date does not occur, then this Judgment shall be rendered

1 null and void to the extent provided by and in accordance with the Stipulation and shall be vacated
2 and, in such event, all orders entered and releases delivered in connection herewith shall be null and
3 void to the extent provided by and in accordance with the Stipulation.

4 13. Co-Lead Counsel are awarded attorneys' fees in the total sum of \$ _____
5 in connection with those actions, which sum the Court finds to be fair and reasonable, and
6 reimbursement of expenses in the amount of \$ _____ (the "Fee and Expense Award").
7 Such sums shall be paid solely from the Settlement Fund, pursuant to the provisions of the
8 Stipulation. No counsel representing any Plaintiff shall make any further or additional application
9 for fees and expenses to the Court or any other court, nor shall counsel for any other Class Member
10 make any further or additional application for fees and expenses to the Court pursuant to the
11 Settlement. Co-Lead Counsel shall allocate the attorneys' fees awarded in a manner which they, in
12 good faith and in their sole discretion, determine and believe is fair and equitable. Defendants and
13 their counsel shall have no responsibility, authority, or liability with respect to the allocation of any
14 fee and expense award among Plaintiffs' counsel in the Action.

15 14. Plaintiffs Sheila Baker, Merle W. Bundick, and Benjamin Gigli are awarded plaintiff
16 incentive awards in the sum of \$ _____ each in connection with the Action, which sum the
17 Court finds to be fair and reasonable to compensate them for their lost business and/or wages, time
18 and out-of-pocket expenses, in connection with the prosecution of the Action on behalf of the Class.
19 Such sum shall not preclude Plaintiffs from seeking payment of their *pro rata* shares of the
20 Settlement Fund pursuant to the procedures and plan for allocating the Settlement Fund, and shall
21 be paid solely from the Fee and Expense Award pursuant to the provisions of the Stipulation.

22 15. Any plan of distribution submitted by Class Counsel or any order entered regarding
23 any attorneys' fee and expense application shall in no way disturb or affect this Judgment and shall
24 be considered separate from this Judgment.

25 16. The Court finds that during the course of the Action, the Parties and their respective
26 counsel at all times acted professionally and in compliance with California Code of Civil Procedure
27 §128.7, and all other similar statutes or court rules with respect to any claims or defenses in the
28 Action.

1 17. Without further order of the Court, the Parties may agree to reasonable extensions of
2 time to carry out any of the provisions of the Stipulation.

3 18. There being no just reason for delay, the Court hereby directs that this Judgment be
4 entered by the Clerk of the Court.

5 19. The *Cy Pres* Distribution will be paid to Legal Aid Foundation of Los Angeles

6 19. Pursuant to California Rules of Court, Rule 3.769(h), the Court retains jurisdiction over the
7 parties with respect to enforcement of this Judgment under California Code of Civil Procedure
8 Section 664.6.

9 20. Plaintiffs shall give notice of this Judgment to all Parties.

10 **IT IS SO ORDERED.**

11
12 Dated: _____

HONORABLE CAROLYN B. KUHL
JUDGE OF THE SUPERIOR COURT

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14
15 Submitted by:

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24 Co-Lead Counsel for the Class
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I am employed in the County of Los Angeles, State of California, with my business address as 600 Corporate Pointe, Suite 1170, Culver City, California. I am over the age of 18 years, and I am not a party to this Action.

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Counsel for Defendants

I sent a copy of this document via electronic mail to the email addresses above via Caseanywhere pursuant to the agreement of all parties for service of documents in this case.

I declare, under penalty of perjury, pursuant to the laws of the State of California, that the foregoing is true and correct.

September 26, 2023



David E Bower