

EXECUTION VERSION

UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF ILLINOIS  
EASTERN DIVISION

LEONARD SOKOLOW, Individually and on	)	Case No. 1:18-cv-01039
Behalf of All Others Similarly Situated,	)	
	)	Hon. Judge Robert M. Dow, Jr.
Plaintiff,	)	
	)	
vs.	)	
	)	
LJM FUNDS MANAGEMENT, LTD., et al.,	)	
	)	
Defendants.	)	
	)	
_____	)	

**STIPULATION AND AGREEMENT OF PARTIAL SETTLEMENT**

This Stipulation and Agreement of Partial Settlement (the “Stipulation”) is made and entered into by and between Lead Plaintiffs Justin and Jenny Kaufman, Joseph N. Wilson, Dr. Larry and Marilyn Cohen, Tradition Capital Management LLC (“Tradition”), and SRS Capital Advisors, Inc. (“SRS”) (collectively, “Lead Plaintiffs”), on behalf of themselves and all other members of the proposed Settlement Class (defined below), on the one hand, and defendants Two Roads Shared Trust, (the “Trust”), Northern Lights Distributors, LLC (“NLD”), NorthStar Financial Services Group, LLC (“NorthStar”), and Mark D. Gersten, Mark Garbin, Neil M. Kaufman, Anita K. Krug, Andrew B. Rogers, and James Colantino (collectively, the “Individual Settling Defendants” and, with the Trust, NLD, and NorthStar, the “Settling Defendants”), on the other, by and through their counsel of record in the above-captioned litigation pending in the United States District Court for the Northern District of Illinois, Eastern Division (the “Court”). This Stipulation is intended by the settling parties to fully, finally, and forever resolve, discharge, and settle the Released Claims as against the Released Defendant Parties and the Released

Defendants' Claims against the Released Plaintiff Parties (each of these capitalized terms is defined below), upon and subject to the terms and conditions hereof and subject to the Court's approval.<sup>1</sup>

**WHEREAS:**

A. On February 9, 2018, a securities class action complaint was filed in the U.S. District Court for the Northern District of Illinois, Eastern Division on behalf of investors in the LJM Preservation and Growth Fund (the "Fund"), titled *Sokolow v. LJM Funds Management, Ltd. et al.*, Civil No. 1:18-cv-01039 (the "Action"), and was assigned to the Hon. Robert M. Dow, Jr., USDJ.

B. On June 26, 2018, the Court issued an Order appointing Justin and Jenny Kaufman, Joseph N. Wilson, Dr. Larry and Marilyn Cohen, Tradition, and SRS as lead plaintiffs, and appointing Labaton Sucharow LLP and Robbins Geller Rudman & Dowd as co-lead counsel.

C. The operative complaint in the Action is the Consolidated Complaint for Violations of the Federal Securities Laws, filed on August 16, 2018 (the "Complaint"). The Complaint alleges violations of §§ 11, 12(a)(2), and 15 of the Securities Act of 1933 ("1933 Act") on behalf of a class of all purchasers who bought shares of the Fund during the period from February 28, 2015 through February 7, 2018, inclusive, pursuant to certain Offering Materials, which are set forth in paragraph 51 of the Complaint.

D. Lead Plaintiffs, through Lead Counsel, state that they conducted a thorough investigation relating to the claims, defenses, and underlying events and transactions that are the subject of the Action. Lead Plaintiffs state that this process has included reviewing and analyzing, among other things: U.S. Securities and Exchange Commission ("SEC") filings by the

---

<sup>1</sup> All words or terms used herein that are capitalized shall have the meanings ascribed to those words or terms herein and in ¶ 1 hereof entitled "Definitions."

Trust; media and analyst reports regarding the Fund, its advisor LJM Funds Management, Ltd. (“LJM”), and their affiliates; press releases and shareholder communications regarding the Fund, LJM, and their affiliates; and other publicly available information regarding the Trust, the Fund, LJM, and the industry.

E. On September 20, 2018, the parties agreed to pursue mediation and jointly moved the Court for a stay of the Action. On October, 3, 2018, following a status conference with the parties, the Court set a settlement conference for December 21, 2018 and set a schedule for the parties to exchange mediation statements. The December 21, 2018 settlement conference was held with Hon. Sidney I. Schenkier, USMJ, and involved an extended effort to settle the claims and was preceded by the exchange of mediation statements. Although the settlement conference was unsuccessful, the parties continued to engage in settlement discussions thereafter as the Action proceeded.

F. On February 4, 2019, Defendants filed a Joint Motion to Dismiss the Complaint. In the motion, Defendants raised several grounds for dismissal including, among others, that the Offering Materials for the Fund fully disclosed the risks of investing in the Fund, that the Complaint failed to plead loss causation, and that the claims asserted in the Complaint were not timely. Lead Plaintiffs opposed the motion, and on March 4, 2019, the motion was fully briefed.

G. On May 20, 2019, the parties filed a Joint Motion for Stay Pending Settlement Discussions.

H. Following continued, extensive arm’s-length negotiations, the Lead Plaintiffs and the Trust, the Individual Settling Defendants, NLD and NorthStar reached an agreement in principle to settle all of the claims against them in the Action for \$12,850,000, subject to the execution of a customary stipulation and agreement of settlement and related papers. This

Stipulation (together with the exhibits hereto) constitutes the final and binding agreement between the Settling Parties.

I. Settling Defendants have denied and continue to deny any wrongdoing or that they have committed any act or omission giving rise to any liability or violation of law, including the U.S. securities laws. Settling Defendants have denied and continue to deny each and every one of the claims and allegations asserted in the Action, including all claims in the complaints filed in the Action. Settling Defendants also have denied and continue to deny, *inter alia*, the allegations that Lead Plaintiffs or class members have suffered damage or were otherwise harmed by the conduct alleged in the Action. Settling Defendants have asserted and continue to assert that, at all times, they acted in good faith and in a manner they reasonably believed to be in accordance with all applicable rules, regulations, and laws. Nonetheless, Settling Defendants have determined that it is desirable and beneficial to them that the Action be settled in the manner and upon the terms and conditions set forth in this Stipulation to avoid the further expense, inconvenience, and burden of this Action, the distraction and diversion of personnel and resources, and to obtain the conclusive and complete dismissal and/or release of this Action as to them and the Released Claims.

J. Lead Plaintiffs believe that the claims and allegations asserted in the Action have merit and that the information developed to date supports the claims and allegations asserted. However, Lead Plaintiffs and Lead Counsel recognize and acknowledge the expense and length of continued proceedings necessary to prosecute the Action through trial and appeals. They also have taken into account the uncertain outcome and the risk of any litigation, especially in complex actions such as the Action, as well as the difficulties and delays inherent in such litigation. Lead Counsel is also mindful of the inherent problems of proof and the possible

defenses to the claims alleged in the Action. In particular, Lead Plaintiffs and Lead Counsel have considered the limited funds available to satisfy a judgment. In addition to this consolidated action, one or more of the Settling Defendants are defending at least three actions pending in Illinois and Florida courts arising from the same circumstances alleged in this Action, as well as possible investigations by regulators, all of which may continue to deplete the limited funds available to satisfy a judgment. Based on their evaluation, Lead Plaintiffs and Lead Counsel believe that the Settlement set forth in this Stipulation confers substantial monetary benefits upon the Settlement Class and is in the best interests of Lead Plaintiffs and the Settlement Class.

K. The Settling Parties agree that certification of the Settlement Class, for settlement purposes only, is appropriate in the Action. For purposes of this Settlement only, the Settlement Class comprises all members of the Settlement Class, as defined below. Nothing in this Stipulation shall serve in any fashion, either directly or indirectly, as evidence or support for certification of a class other than for settlement purposes, and the Settling Parties intend that the provisions herein concerning certification of the Settlement Class shall have no effect whatsoever in the event the Settlement does not become Final, as defined in ¶1(m) below.

**NOW THEREFORE**, without any concession by Lead Plaintiffs that the Action lacks merit, and without any concession by the Settling Defendants of any liability or wrongdoing or lack of merit in their defenses, it is hereby **STIPULATED AND AGREED**, by and among the parties to this Stipulation (the “Settling Parties,” and each is a “Settling Party”), through their respective attorneys, subject to approval by the Court pursuant to Rule 23(e) of the Federal Rules of Civil Procedure, that, in consideration of the benefits flowing to the Settling Parties hereto, all Released Claims and all Released Defendants’ Claims, as against all Released Parties, shall be

fully, finally, and forever compromised, settled, released, discharged, and dismissed with prejudice, and without costs, upon and subject to the following terms and conditions:

**DEFINITIONS**

1. As used in this Stipulation, the following terms shall have the meanings set forth below. In the event of any inconsistency between any definition set forth below and any definition in any other document related to the Settlement, the definition set forth below shall control.

(a) “Action” means the civil action captioned *Sokolow v. LJM Funds Management, Ltd., et al.*, Case No. 1:18-cv-01039, pending in the United States District Court for the Northern District of Illinois before the Honorable Robert M. Dow, Jr., United States District Judge.

(b) “Alternative Judgment” means a form of final judgment that may be entered by the Court but in a form other than the form of Judgment provided for in this Stipulation and where none of the Settling Parties hereto elects to terminate this Settlement by reason of such variance.

(c) “Authorized Claimant” means a Settlement Class Member who submits a valid Proof of Claim and Release form to the Claims Administrator that is accepted for payment.

(d) “Claims Administrator” means the firm to be retained by Lead Counsel, subject to Court approval, to provide all notices approved by the Court to Settlement Class Members, to process proofs of claim, and to administer the Settlement.

(e) “Class Period” means the period from February 28, 2015 through February 7, 2018, inclusive.

(f) “Cross-Released Claims” means any and all claims (including claims for indemnification, contribution, or subrogation), complaints, third-party claims, cross-claims,

counterclaims, demands, allegations, liabilities, obligations, promises, agreements, controversies, actions, causes of action, suits, rights, damages, costs, losses, debts, charges, and expenses (including attorneys' fees, expert fees, and disbursements of counsel and other professionals) of any and every nature whatsoever, whether in law or in equity, whether arising under federal, state, local, or foreign statutory or common law or any other law, rule, or regulation (whether foreign or domestic), whether currently known or unknown, fixed or contingent, suspected or unsuspected, foreseen or unforeseen, ripened or unripened, accrued or unaccrued, liquidated or unliquidated, or matured or not matured, whether arising in equity or under the law of the contract, tort, malpractice, statutory breach, or any other legal right or duty, whether direct, class, individual, representative, or in any other capacity, and to the fullest extent that the law permits their release in this lawsuit, that any Settling Defendant has, or could assert, against any other Settling Defendant in the Action or in any forum that arise out of, relate to, are connected with, or are in any way concern (i) the allegations, transactions, facts, matters, occurrences, representations, or omissions involved, set forth, alleged, or referred to in the Action, or relating to actions or inactions with respect to the Fund, and that (ii) arise out of, are based upon, or relate to in any way, the purchase, acquisition, sale, or disposition of shares of the Fund during the Class Period.

(g) "Court" means the United States District Court for the Northern District of Illinois.

(h) "Defendants" means Two Roads Shared Trust, Northern Lights Distributors, LLC, NorthStar Financial Services Group, LLC, LJM Funds Management, Ltd., Mark D. Gersten, Mark Garbin, Neil M. Kaufman, Anita K. Krug, Andrew B. Rogers, James Colantino, Anthony J. Caine, and Anish Parvataneni.

(i) “Effective Date” means the date upon which the Settlement shall have become effective and Final, as set forth in ¶ 41 below.

(j) “Escrow Account” means the separate escrow account at a national banking institution, chosen by Lead Counsel, that is established to receive the Settlement Amount for the benefit of the Settlement Class pursuant to this Stipulation and subject to the jurisdiction of the Court.

(k) “Escrow Agent” means Robbins Geller Rudman & Dowd LLP and Labaton Sucharow LLP.

(l) “Fee and Expense Application” means Lead Counsel’s application for an award of attorneys’ fees and/or payment of litigation expenses incurred in prosecuting the case, including any award pursuant to 15 U.S.C. §77z-1(a)(7) of the Private Securities Litigation Reform Act of 1995 (“PSLRA”).

(m) “Final,” with respect to a court order, including a judgment, means the later of: (i) if there is an appeal from a court order, the date of final affirmance on appeal and the expiration of the time for any further judicial review whether by appeal, reconsideration or a petition for a *writ of certiorari* and, if *certiorari* is granted, the date of final affirmance of the order following review pursuant to the grant; or (ii) the date of final dismissal of any appeal from the order or the final dismissal of any proceeding on *certiorari* to review the order; or (iii) the expiration of the time for the filing or noticing of any appeal or petition for *certiorari* from the order (or, if the date for taking an appeal or seeking review of the order shall be extended beyond this time by order of the issuing court, by operation of law or otherwise, or if such extension is requested, the date of expiration of any extension if any appeal or review is not sought), without any such filing or noticing being made. However, any appeal or proceeding seeking subsequent



judicial review pertaining solely to the Plan of Allocation, or to the Court's award of attorneys' fees or expenses, shall not in any way delay or affect the time set forth above for the Judgment or Alternative Judgment to become Final or otherwise preclude the Judgment or Alternative Judgment from becoming Final.

(n) "Individual Settling Defendants" means Mark D. Gersten, Mark Garbin, Neil M. Kaufman, Anita K. Krug, Andrew B. Rogers, and James Colantino.

(o) "Judgment" means the proposed judgment to be entered by the Court approving the Settlement, substantially in the form attached hereto as Exhibit B.

(p) "Lead Counsel" means Robbins Geller Rudman & Dowd LLP and Labaton Sucharow LLP.

(q) "Net Settlement Fund" means the Settlement Fund less: (i) Court-awarded attorneys' fees and expenses; (ii) Notice and Administration Expenses; (iii) Taxes; and (iv) any other fees or expenses approved by the Court.

(r) "Non-Settling Defendants" means LJM Funds Management, Ltd., Anthony J. Caine, and Anish Parvataneni.

(s) "Notice" means the Notice of Pendency of Class Action, Proposed Partial Class Action Settlement, and Motion for Attorneys' Fees and Expenses to be sent to Settlement Class Members, which, subject to approval of the Court, shall be substantially in the form attached as Exhibit 1 to Exhibit A hereto.

(t) "Notice and Administration Expenses" means all costs, fees, and expenses incurred in connection with providing notice to the Settlement Class and the administration of the Settlement, including but not limited to: (i) providing notice of the proposed Settlement by mail, publication, and other means to Settlement Class Members; (ii) receiving and reviewing

claims; (iii) applying the Plan of Allocation; (iv) communicating with Persons regarding the proposed Settlement and claims administration process; (v) distributing the proceeds of the Settlement; and (vi) fees related to the Escrow Account and investment of the Settlement Fund.

(u) “Person(s)” means any individual, corporation (including all divisions and subsidiaries), general or limited partnership, association, joint stock company, joint venture, limited liability company, professional corporation, estate, legal representative, trust, unincorporated association, government or any political subdivision or agency thereof, and any other business or legal entity.

(v) “Plaintiffs’ Counsel” means Labaton Sucharow LLP and Robbins Geller Rudman & Dowd LLP.

(w) “Plan of Allocation” means the proposed Plan of Allocation for the distribution of the Net Settlement Fund, which, subject to the approval of the Court, shall be substantially in the form described in the Notice.

(x) “Preliminary Approval Order” means the proposed Order Granting Preliminary Approval of Partial Class Action Settlement, Approving Form and Manner of Notice, and Setting Date for Hearing on Final Approval of Partial Class Action Settlement, which, subject to the approval of the Court, shall be substantially in the form attached hereto as Exhibit A.

(y) “Proof of Claim” or “Claim Form” means the Proof of Claim and Release form for submitting a claim, which, subject to approval of the Court, shall be substantially in the form attached as Exhibit 2 to Exhibit A hereto.

(z) “Released Claims” means any and all complaints, claims, third-party claims, cross-claims, counterclaims, demands, allegations, liabilities, obligations, promises,

agreements, controversies, actions, causes of action, suits, rights, damages, costs, losses, debts, charges, and expenses (including Unknown Claims (as defined below) and attorneys' fees, expert fees, and disbursements of counsel and other professionals) of any and every nature whatsoever, whether in law or in equity, whether arising under federal, state, local, or foreign statutory or common law or any other law, rule, or regulation (whether foreign or domestic), whether currently known or unknown, fixed or contingent, suspected or unsuspected, foreseen or unforeseen, ripened or unripened, accrued or unaccrued, liquidated or unliquidated, or matured or not matured, whether arising in equity or under the law of contract, tort, malpractice, statutory breach, or any other legal right or duty, whether direct, class, individual, representative, or in any other capacity, and to the fullest extent that the law permits their release in this lawsuit, that Lead Plaintiffs, or any other member of the Settlement Class: (a) asserted in the Action, or (b) could have asserted against any of the Released Defendant Parties in the Action or in any forum that arise out of, relate to, are connected with, or in any way concern (i) the allegations, transactions, facts, matters, occurrences, representations, or omissions involved, set forth, alleged, or referred to in the Action, or relating to actions or inactions with respect to the Fund, and that (ii) arise out of, are based upon, or relate to in any way, the purchase or acquisition of shares of the Fund during the Class Period. Released Claims does not include: (a) claims in any governmental or regulatory agency proceeding or action, including the right of any Settlement Class Member to recover therein; (b) claims asserted in: *David Melcher v. LJM Partners, Ltd., et al.*, 2018 CH 10346 (Cook Cty Circuit Crt, IL), *Donna Lundgren-Wiedinmyer v. LJM Partners, Ltd., et al.*, 2018 CH 10712 (Cook Cty Circuit Crt, IL), *Barney C. Guttman v. LJM Partners, Ltd., et al.*, 2018 CH 12701 (Cook Cty Circuit Crt, IL); *LJM Partners, Ltd. v. John Does*, No. 19-cv-368 (N.D. Ill.); or (c) claims to enforce the Settlement.

(aa) “Released Defendant Parties” means the Settling Defendants, Settling Defendants’ Counsel, and each of their respective predecessors, successors, parent corporations, sister corporations, past, present, or future subsidiaries, affiliates, principals, assigns, assignors, heirs, legatees, devisees, executors, administrators, estates, heirs, spouses, immediate family members, receivers and trustees, settlors, beneficiaries, officers, directors, shareholders, employees, servants, agents, partners, insurers, reinsurers, representatives, attorneys, legal representatives, and successors-in-interest of the Settling Defendants. Released Defendant Parties does not include any of the Non-Settling Defendants.

(bb) “Released Defendants’ Claims” means all claims and causes of action of every nature and description, including both known claims and Unknown Claims (as defined below), whether arising under federal, state, common or foreign law, or any other law, that Settling Defendants could have asserted against any of the Released Plaintiff Parties that arise out of or relate in any way to the institution, prosecution, or settlement of the claims in the Action, except for claims relating to the enforcement of the Settlement.

(cc) “Released Parties” means the Released Defendant Parties and the Released Plaintiff Parties. Released Parties does not include any of the Non-Settling Defendants.

(dd) “Released Plaintiff Parties” means each and every Settlement Class Member, Lead Plaintiffs, Plaintiffs’ Counsel, and each of their respective past or present trustees, officers, directors, partners, employees, affiliates, contractors, auditors, principals, agents, attorneys, predecessors, successors, assigns, insurers, parents, subsidiaries, general or limited partners or partnerships, and limited liability companies; and the spouses, members of the immediate families, representatives, and heirs of any Released Plaintiff Party (in their capacity as such) who is an individual, as well as any trust of which any Released Plaintiff Party is the

settlor or which is for the benefit of any of their immediate family members. Released Plaintiff Parties does not include any Person who timely and validly seeks exclusion from the Settlement Class.

(ee) “Settlement” means the partial resolution of the Action in accordance with the terms and provisions of this Stipulation.

(ff) “Settlement Amount” means the total principal amount of twelve million and eight hundred and fifty thousand U.S. dollars (\$12,850,000) in cash to be paid into the Escrow Account.

(gg) “Settlement Class” or “Settlement Class Member” means all persons and entities who purchased or otherwise acquired shares of the LJM Preservation and Growth Fund during the Class Period. Excluded from the Settlement Class are: (i) Defendants and their affiliates; (ii) the officers, directors, and/or trustees of LJM Funds Management, Ltd., the Trust, NLD, NorthStar, or the Fund; (iii) members of the immediate families of any such excluded person; (iv) any firm, trust, corporation, or entity in which any Defendant has a controlling interest; and (vi) the legal representatives, heirs, successors, and assigns of any excluded person or entity. Also excluded from the Settlement Class will be any Person that timely and validly submits a request for exclusion from the Settlement Class in accordance with the requirements set forth in the Notice, or that the Court otherwise allows to be excluded from the Class.

(hh) “Settlement Fund” means the Settlement Amount that is paid into the Escrow Account and any interest or income earned thereon.

(ii) “Settlement Hearing” means the hearing to be held by the Court to determine whether the proposed Settlement is fair, reasonable, and adequate and should be approved.

(jj) “Settling Defendants’ Counsel” means the law firms of Drinker, Biddle & Reath LLP, Sidley Austin LLP, Goodwin Proctor LLP, and Blank Rome LLP.

(kk) “Settling Parties” means Lead Plaintiffs, the Settlement Class, and the Settling Defendants.

(ll) “Stipulation” means this Stipulation and Agreement of Partial Settlement.

(mm) “Summary Notice” means the Summary Notice of Pendency of Class Action, Proposed Partial Class Action Settlement, and Motion for Attorneys’ Fees and Expenses for publication, which, subject to approval of the Court, shall be substantially in the form attached as Exhibit 3 to Exhibit A hereto.

(nn) “Taxes” means all federal, state, or local taxes of any kind on any income earned by the Settlement Fund and the expenses and costs incurred in connection with the taxation of the Settlement Fund (including, without limitation, interest, penalties and the reasonable expenses of tax attorneys and accountants).

(oo) “Unknown Claims” means any and all Released Claims that Lead Plaintiffs or any other Settlement Class Member does not know or suspect to exist in his, her, or its favor at the time of the release of the Released Defendant Parties, and any and all Released Defendants’ Claims that any Settling Defendant does not know or suspect to exist in his, her, or its favor at the time of the release of the Released Plaintiff Parties or, with respect to the Cross-Released Claims, any other Settling Defendant, which if known by him, her, or it might have affected his, her, or its decision(s) with respect to the Settlement, including the decision to object to the terms of the Settlement or to exclude himself, herself, or itself from the Settlement Class. With respect to any and all Released Claims and Released Defendants’ Claims, and Cross-Released Claims, the Settling Parties stipulate and agree that, upon the Effective Date, Lead

Plaintiffs and Settling Defendants shall expressly, and each other Settlement Class Member shall be deemed to have, and by operation of the Judgment or Alternative Judgment shall have, to the fullest extent permitted by law, expressly waived and relinquished any and all provisions, rights and benefits conferred by any law of any state or territory of the United States or foreign law, or principle of common law, which is similar, comparable, or equivalent to Cal. Civ. Code § 1542, which provides:

**A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release and that, if known by him or her, would have materially affected his or her settlement with the debtor or released party.**

Lead Plaintiffs and other Settlement Class Members, or Settling Defendants may hereafter discover facts, legal theories, or authorities in addition to or different from those which any of them now knows or believes to be true with respect to the subject matter of the Released Claims and the Released Defendants' Claims, but Lead Plaintiffs and Settling Defendants shall expressly, fully, finally, and forever settle and release, and each Settlement Class Member shall be deemed to have settled and released, and upon the Effective Date and by operation of the Judgment or Alternative Judgment shall have settled and released, fully, finally, and forever, any and all Released Claims and Released Defendants' Claims as applicable, without regard to the subsequent discovery or existence of such different or additional facts, legal theories, or authorities. Lead Plaintiffs and Settling Defendants acknowledge, and other Settlement Class Members by operation of law shall be deemed to have acknowledged, that the inclusion of "Unknown Claims" in the definition of Released Claims and Released Defendants' Claims was separately bargained for and was a material element of the Settlement.

**SCOPE AND EFFECT OF SETTLEMENT**

2. The obligations incurred pursuant to this Stipulation are (a) subject to approval by the Court and the Judgment, or Alternative Judgment, reflecting such approval becoming Final; and (b) in full and final disposition of the claims in the Action with respect to the Released Parties and any and all Released Claims and Released Defendants' Claims.

3. For purposes of this Settlement only, the Settling Parties agree to: (i) certification of the Settlement Class, pursuant to Fed. R. Civ. P. 23(a) and 23(b)(3), on behalf of the Settlement Class as defined in ¶ 1(gg); (ii) the appointment of Lead Plaintiffs as Class Representatives for the Settlement Class; and (iii) the appointment of Lead Counsel as Class Counsel for the Settlement Class pursuant to Federal Rule of Civil Procedure 23(g). Certification of the Settlement Class shall be binding only with respect to the Settlement of the Action and only if the Judgment contemplated by this Stipulation becomes Final and the Effective Date occurs.

4. By operation of the Judgment or Alternative Judgment, as of the Effective Date, each of the Lead Plaintiffs shall, and each of the Settlement Class Members shall be deemed to have, fully, finally, and forever released, relinquished, and discharged all Released Claims against each of the Released Defendant Parties, whether or not such Settlement Class Member executes and delivers a Proof of Claim form or shares in the Net Settlement Fund. Claims to enforce the terms of the Stipulation are not released.

5. By operation of the Judgment or Alternative Judgment, as of the Effective Date, each of the Settling Defendants shall be deemed to have, and by operation of the Judgment or Alternative Judgment shall have, fully, finally, and forever released, relinquished, and discharged all Released Defendants' Claims against each of the Released Plaintiff Parties. Claims to enforce the terms of the Stipulation are not released.



6. By operation of the Judgment or Alternative Judgment, as of the Effective Date, each of the Settling Defendants shall have fully, finally, and forever released, relinquished, and discharged all Cross-Released Claims against each and every other Settling Defendant.

**THE SETTLEMENT CONSIDERATION**

7. In full settlement of the claims asserted in the Action against the Settling Defendants and in consideration of the releases specified in ¶¶ 4-6, above, all of which the Settling Parties agree are good and valuable consideration, the Settling Defendants shall pay, or cause to be paid, the Settlement Amount into the Escrow Account within fourteen (14) calendar days of the later of: (a) the Court's preliminary approval of the Settlement (the "Deposit Date"); or (b) Lead Counsel's provision to Settling Defendants' Counsel all of the information necessary to effectuate a transfer of funds to the Escrow Account, including but not limited to, wire transfer instructions, payment address, and a complete and executed Form W-9 for the Settlement Fund that reflects a valid tax identification number.

8. Lead Plaintiffs and each of the Settlement Class Members shall look solely to the Settlement Fund as satisfaction of all claims that are released hereunder. With the sole exception of the Settling Defendants' obligation to ensure payment of the Settlement Amount into the Escrow Account as provided for in ¶ 7, and the Settling Defendants' obligation pursuant to ¶ 37, Settling Defendants and Settling Defendants' Counsel shall have no obligation to pay any additional amounts, nor any responsibility for, interest in, or liability whatsoever with respect to: (i) fees, expenses, costs, Taxes, liability or damages whatsoever alleged or incurred by Lead Plaintiffs or any an Settlement Class Member, or by any of their attorneys, experts, advisors, agents or representatives with respect to the Action and Released Claims; (ii) any act, omission, or determination by Lead Counsel or the Claims Administrator, or any of their respective designees or agents, in connection with the administration of the Settlement or otherwise;

(iii) the management, investment, distribution, or allocation of the Settlement Fund; (iii) the Plan of Allocation; (v) the determination, administration, calculation, or payment of any claims asserted against the Settlement Fund; (vi) any loss suffered by, or fluctuation in value of, the Settlement Fund; or (vii) the payment or withholding of any Taxes, expenses, and/or costs incurred in connection with the taxation of the Settlement Fund, distributions or other payments from the Escrow Account, or the filing of any federal, state, or local returns.

9. Other than the obligation of Settling Defendants to cause the payment of the Settlement Amount pursuant to ¶ 7, Settling Defendants shall have no obligation to make any other payments into the Escrow Account or to any Settlement Class Member or Plaintiffs' Counsel pursuant to this Stipulation.

**USE AND TAX TREATMENT OF SETTLEMENT FUND**

10. The Settlement Fund shall be used: (i) to pay any Taxes; (ii) to pay Notice and Administration Expenses; (iii) to pay any attorneys' fees and expenses awarded by the Court; (iv) to pay any other fees and expenses awarded by the Court; and (v) to pay the claims of Authorized Claimants. The Escrow Agent shall not disburse the Settlement Fund, or any portion thereof, except as provided in this Stipulation of Settlement, or upon Order of the Court.

11. The Net Settlement Fund shall be distributed to Authorized Claimants as provided in ¶¶ 23-32 hereof. The Net Settlement Fund shall remain in the Escrow Account prior to the Effective Date. All funds held in the Escrow Account, and all interest and earnings thereon, shall be deemed to be in the custody of the Court and shall remain subject to the jurisdiction of the Court until such time as the funds shall have been disbursed or returned, pursuant to the terms of this Stipulation, and/or further order of the Court. The Escrow Agent shall invest funds in the Escrow Account in instruments backed by the full faith and credit of the United States Government (or a mutual fund invested solely in such instruments), or deposit some or all of the

funds in non-interest-bearing transaction account(s) that are fully insured by the Federal Deposit Insurance Corporation (“FDIC”) in amounts that are up to the limit of FDIC insurance. Settling Defendants and Settling Defendants’ Counsel shall have no responsibility for, interest in, or liability whatsoever with respect to investment decisions executed by the Escrow Agent. All risks related to the investment of the Settlement Fund shall be borne solely by the Settlement Fund.

12. After the Settlement Amount has been paid into the Escrow Account, the Settling Parties agree to treat the Settlement Fund as a “qualified settlement fund” within the meaning of Treas. Reg. § 1.468B-1. All provisions of this Stipulation shall be interpreted in a manner that is consistent with the Settlement Amount being a “qualified settlement fund” within the meaning of Treasury Regulation § 1.468B-1. In addition, the Escrow Agent shall timely make, or cause to be made, such elections as necessary or advisable to carry out the provisions of this paragraph 12, including the “relation-back election” (as defined in Treas. Reg. § 1.468B-1) back to the earliest permitted date. Such election shall be made in compliance with the procedures and requirements contained in such regulations. It shall be the responsibility of the Escrow Agent to timely and properly prepare and deliver, or cause to be prepared and delivered, the necessary documentation for signature by all necessary parties, and thereafter take all such actions as may be necessary or appropriate to cause the appropriate filing(s) to timely occur. Consistent with the foregoing:

(a) For the purposes of Section 468B of the Internal Revenue Code of 1986, as amended, and Treas. Reg. § 1.468B promulgated thereunder, the “administrator” shall be the Escrow Agent or its successors, who shall timely and properly file, or cause to be filed, all federal, state, or local tax returns and information returns (together, “Tax Returns”) necessary or

advisable with respect to the earnings on the funds deposited in the Escrow Account (including without limitation the returns described in Treas. Reg. § 1.468B-2(k)). Such Tax Returns (as well as the election described above) shall be consistent with this subparagraph and in all events shall reflect that all Taxes (including any estimated taxes, earnings, or penalties) on the income earned on the funds deposited in the Escrow Account shall be paid out of such funds as provided in subparagraph (c) of this paragraph 12.

(b) All Taxes shall be paid out of the Settlement Fund. In all events, Settling Defendants and Settling Defendants' Counsel shall have no liability or responsibility whatsoever for the Taxes or the filing of any Tax Return or other document with the Internal Revenue Service or any other state or local taxing authority. The Settling Defendants shall have no liability or responsibility for the Taxes of the Escrow Account with respect to the Settlement Amount nor the filing of any Tax Returns or other documents with the Internal Revenue Service or any other taxing authority. In the event any Taxes are owed by any of the Settling Defendants on any earnings on the funds on deposit in the Escrow Account, such amounts shall also be paid out of the Settlement Fund.

(c) Taxes with respect to the Settlement Amount and the Escrow Account shall be treated as, and considered to be, a cost of administration of the Settlement and shall be timely paid, or caused to be paid, by the Escrow Agent out of the Settlement Fund without prior order from the Court or approval by Settling Defendants. The Escrow Agent shall be obligated (notwithstanding anything herein to the contrary) to withhold from distribution to Authorized Claimants any funds necessary to pay such amounts (as well as any amounts that may be required to be withheld under Treas. Reg. § 1.468B-2(l)(2)). The Settling Parties agree to

cooperate with each other, and their tax attorneys and accountants to the extent reasonably necessary, to carry out the provisions of this paragraph 12.

13. This is not a claims-made settlement. As of the Effective Date, Settling Defendants, and/or any other Person funding the Settlement on a Settling Defendant's behalf, shall not have any right to the return of the Settlement Fund or any portion thereof for any reason. Should the Settlement fail to reach the Effective Date, amounts in the Settlement Fund will be returned to the Settling Defendants or Persons who contributed such funds pursuant to paragraph 49.

#### **ATTORNEYS' FEES AND EXPENSES**

14. Lead Counsel (on behalf of all Plaintiffs' counsel) will apply to the Court, which application may occur more than once, for an award from the Settlement Fund of attorneys' fees and/or payment of expenses incurred in prosecuting the Action, including any earnings on such amounts at the same rate and for the same periods as earned by the Settlement Fund. Settling Defendants are not aware of the amount of attorneys' fees and expenses that Lead Plaintiffs incurred in prosecuting the Action. Lead Plaintiffs and Settling Defendants have had no negotiations or discussions regarding attorneys' fees and expenses, and Settling Defendants shall take no position with respect to any Fee and Expense Application.

15. The amount of attorneys' fees and expenses awarded by the Court is within the sole discretion of the Court. Any attorneys' fees and expenses awarded by the Court shall be paid from the Settlement Fund to Lead Counsel immediately after entry of the Order awarding such attorneys' fees and expenses and entry of the Judgment or Alternative Judgment, notwithstanding the existence of any timely filed objections thereto or to the Settlement, or potential for appeal therefrom, or collateral attack on the Fee and Expense Application, the

Settlement, or any part thereof. Lead Counsel shall allocate any Court-awarded attorneys' fees and expenses among Plaintiffs' Counsel.

16. Any payment of attorneys' fees and expenses pursuant to ¶¶ 14-15 above shall be subject to Lead Counsel's obligation to make refunds or repayments to the Settlement Fund of any paid amounts, plus accrued earnings at the same net rate as is earned by the Settlement Fund, if the Settlement is terminated pursuant to the terms of this Stipulation or fails to become effective for any reason, or if, as a result of any appeal or further proceedings on remand or successful collateral attack, the award of attorneys' fees and/or expenses is reduced or reversed by Final non-appealable court order. Lead Counsel shall make the appropriate refund or repayment in full no later than thirty (30) calendar days after receiving notice of the termination of the Settlement pursuant to this Stipulation, notice from a court of appropriate jurisdiction of the disapproval of the Settlement by Final non-appealable court order, or notice of any reduction or reversal of the award of attorneys' fees and/or expenses by Final non-appealable court order.

17. With the sole exception of the Settling Defendants' obligation to pay the Settlement Amount into the Escrow Account as provided for in ¶ 7, Settling Defendants shall have no responsibility for, and no liability whatsoever with respect to, any payment whatsoever to Plaintiffs' Counsel in the Action that may occur at any time.

18. Settling Defendants shall have no responsibility for, and no liability whatsoever with respect to, any allocation of any attorneys' fees or expenses among Plaintiffs' Counsel in the Action, or to any other Person who may assert some claim thereto, or any fee or expense awards the Court may make in the Action.

19. Settling Defendants shall have no responsibility for, and no liability whatsoever with respect to, any attorneys' fees, costs, or expenses incurred by or on behalf of Settlement

Class Members, whether or not paid from the Escrow Account. The Settlement Fund will be the sole source of payment from Settling Defendants for any award of attorneys' fees and expenses ordered by the Court.

20. The procedure for and the allowance or disallowance by the Court of any Fee and Expense Application are not part of the Settlement set forth in this Stipulation, and any order or proceeding relating to any Fee and Expense Application, including an award of attorneys' fees or expenses in an amount less than the amount requested by Lead Counsel, or any appeal from any order relating thereto or reversal or modification thereof, shall not operate to terminate or cancel the Stipulation, or affect or delay the finality of the Judgment or Alternative Judgment approving the Stipulation and the Settlement set forth herein, including, but not limited to, the release, discharge, and relinquishment of the Released Claims against the Released Defendant Parties, or any other orders entered pursuant to the Stipulation. Lead Plaintiffs and Lead Counsel may not cancel or terminate the Stipulation or the Settlement in accordance with ¶ 42 or otherwise based on the Court's or any appellate court's ruling with respect to fees and expenses in the Action.

#### **NOTICE AND ADMINISTRATION EXPENSES**

21. Except as otherwise provided herein, the Net Settlement Fund shall be held in the Escrow Account until the Effective Date.

22. Prior to the Effective Date, and after the Court enters the Preliminary Approval Order, without further approval from Settling Defendants or further order of the Court, Lead Counsel may expend up to \$300,000 from the Settlement Fund to pay Notice and Administration Expenses actually incurred. Additional sums for this purpose prior to the Effective Date may be paid from the Settlement Fund upon agreement of the Settling Parties or order of the Court. Taxes and fees related to the Escrow Account and investment of the Settlement Fund may be paid as incurred, without further approval of Settling Defendants or further order of the Court.

After the Effective Date, without approval of Settling Defendants or further order of the Court, Notice and Administration Expenses may be paid as incurred. Settling Defendants shall be responsible for providing any required notice under the Class Action Fairness Act of 2005 (“CAFA”), if any, at their own expense.

**DISTRIBUTION TO AUTHORIZED CLAIMANTS**

23. The Claims Administrator, subject to such supervision and direction of Lead Counsel and/or the Court as may be necessary or as circumstances may require, shall administer the Settlement in accordance with the terms of this Stipulation, the Court-approved Plan of Allocation, and subject to the jurisdiction of the Court. Settling Defendants and Settling Defendants’ Counsel shall have no responsibility for (except as stated in ¶¶ 7 and 37 hereof), interest in, or liability whatsoever with respect to the administration of the Settlement or the actions or decisions of the Claims Administrator, and shall have no liability to the Settlement Class in connection with such administration.

24. The Claims Administrator shall determine each Authorized Claimant’s *pro rata* share of the Net Settlement Fund based upon each Authorized Claimant’s recognized loss, as defined in the Plan of Allocation included in the Notice, or in such other plan of allocation as the Court may approve.

25. Settling Defendants have no role in the development of, and will take no position with respect to, the Plan of Allocation. The Plan of Allocation is a matter separate and apart from the proposed Settlement, and any decision by the Court concerning the Plan of Allocation shall not affect the validity or finality of the proposed Settlement. The Plan of Allocation is not a necessary term of this Stipulation and it is not a condition of this Stipulation that any particular plan of allocation be approved by the Court. Lead Plaintiffs and Lead Counsel may not cancel or terminate the Stipulation or the Settlement in accordance with ¶ 42 or otherwise based on the



Court's or any appellate court's ruling with respect to the Plan of Allocation or any plan of allocation in the Action. Settling Defendants and Settling Defendants' Counsel shall have no responsibility or liability for reviewing or challenging claims, the allocation of the Net Settlement Fund, or the distribution of the Net Settlement Fund.

26. Upon the Effective Date and thereafter, and in accordance with the terms of the Stipulation, the Plan of Allocation, or such further approval and further order(s) of the Court as may be necessary or as circumstances may require, the Net Settlement Fund shall be distributed to Authorized Claimants.

27. If there is any balance remaining in the Net Settlement Fund (whether by reason of tax refunds, uncashed checks or otherwise) after at least six (6) months from the date of initial distribution of the Net Settlement Fund, the Claims Administrator shall, if feasible and economical after payment of Notice and Administration Expenses, Taxes, and attorneys' fees and expenses, if any, redistribute such balance among Authorized Claimants who have cashed their checks in an equitable and economic fashion. Once it is no longer feasible or economical to make further distributions, any balance that still remains in the Net Settlement Fund after redistribution(s) and after payment of outstanding Notice and Administration Expenses, Taxes, and attorneys' fees and expenses, if any, shall be distributed as provided by Order of the Court.

#### **ADMINISTRATION OF THE SETTLEMENT**

28. Any Settlement Class Member who fails timely to submit a valid Proof of Claim (substantially in the form of Exhibit 2 to Exhibit A) will not be entitled to receive any of the proceeds from the Net Settlement Fund, except as otherwise ordered by the Court, but will otherwise be bound by all of the terms of this Stipulation and the Settlement, including the terms of the Judgment or Alternative Judgment to be entered in the Action and all releases provided for

herein, and will be barred from bringing any action against the Released Defendant Parties concerning the Released Claims.

29. Lead Counsel shall be responsible for supervising the administration of the Settlement and disbursement of the Net Settlement Fund by the Claims Administrator. Lead Counsel shall have the right, but not the obligation, to advise the Claims Administrator to waive what Lead Counsel deems to be *de minimis* or formal or technical defects in any Proof of Claim submitted, or to accept untimely claims if distribution of the Net Settlement Fund will not be materially delayed thereby. Lead Counsel shall bear no liability for the exercise or non-exercise of this discretion. Settling Defendants and Settling Defendants' Counsel shall have no liability, obligation or responsibility for the administration of the Settlement, the allocation of the Net Settlement Fund, or the reviewing or challenging claims. Lead Counsel shall be solely responsible for designating the Claims Administrator, subject to approval by the Court.

30. For purposes of determining the extent, if any, to which a claimant shall be entitled to be treated as an Authorized Claimant, the following conditions shall apply:

(a) Each claimant shall be required to submit a Proof of Claim, substantially in the form attached hereto as Exhibit 2 to Exhibit A, supported by such documents as are designated therein, including proof of the claimant's loss, or such other documents or proof as the Claims Administrator or Lead Counsel, in their discretion, may deem acceptable;

(b) All Proofs of Claim must be submitted by the date set by the Court in the Preliminary Approval Order and specified in the Notice, unless such deadline is extended by Lead Counsel in their discretion or by Order of the Court. Any Settlement Class Member who fails to submit a Proof of Claim by such date shall be barred from receiving any distribution from the Net Settlement Fund or payment pursuant to this Stipulation (unless, by Order of the Court or

the discretion of Lead Counsel, late-filed Proofs of Claim are accepted), but shall in all other respects be bound by all of the terms of this Stipulation and the Settlement, including the terms of the Judgment or Alternative Judgment and all releases provided for herein, and will be permanently barred and enjoined from bringing any action, claim or other proceeding of any kind asserting any Released Claim against any Released Defendant Party. A Proof of Claim shall be deemed to be submitted when mailed, if received with a postmark on the envelope and if mailed by first-class or overnight U.S. Mail and addressed in accordance with the instructions thereon. In all other cases, the Proof of Claim shall be deemed to have been submitted when actually received by the Claims Administrator;

(c) Each Proof of Claim shall be submitted to and reviewed by the Claims Administrator, under the supervision of Lead Counsel, which shall determine in accordance with this Stipulation the extent, if any, to which each claim shall be allowed;

(d) Proofs of Claim that do not meet the submission requirements may be rejected. Prior to rejecting a Proof of Claim in whole or in part, the Claims Administrator shall communicate with the claimant in writing to give the claimant an opportunity to remedy any curable deficiencies in the Proof of Claim submitted. The Claims Administrator, under supervision of Lead Counsel, shall notify, in a timely fashion and in writing, all claimants whose claims the Claims Administrator proposes to reject in whole or in part for curable deficiencies, setting forth the reasons therefor, and shall indicate in such notice that the claimant whose claim is to be rejected has the right to a review by the Court if the claimant so desires and complies with the requirements of subparagraph (e) below; and

(e) If any claimant whose timely claim has been rejected in whole or in part for curable deficiency desires to contest such rejection, the claimant must, within twenty (20)

calendar days after the date of mailing of the notice required in subparagraph (d) above, or a lesser period of time if the claim was untimely, serve upon the Claims Administrator a notice and statement of reasons indicating the claimant's grounds for contesting the rejection along with any supporting documentation, and requesting a review thereof by the Court. If a dispute concerning a claim cannot be otherwise resolved, Lead Counsel shall thereafter present the request for review to the Court.

31. Each claimant who submits a Proof of Claim shall be deemed to have submitted to the jurisdiction of the Court with respect to the claimant's claim, including but not limited to, all releases provided for herein and in the Judgment or Alternative Judgment, and the claim will be subject to investigation and discovery under the Federal Rules of Civil Procedure, provided that such investigation and discovery shall be limited to the claimant's status as a Settlement Class Member and the validity and amount of the claimant's claim. In connection with processing the Proofs of Claim, no discovery shall be allowed on the merits of the Action or the Settlement.

32. Payment pursuant to the Stipulation and Court-approved Plan of Allocation shall be deemed final and conclusive against any and all claimants. All Settlement Class Members whose claims are not approved shall be barred from participating in distributions from the Net Settlement Fund, but otherwise shall be bound by all of the terms of this Stipulation and the Settlement, including the terms of the Judgment or Alternative Judgment to be entered in the Action and the releases provided for herein and therein, and will be barred from bringing any action against the Released Defendant Parties concerning the Released Claims.

33. All proceedings with respect to the administration, processing and determination of claims described by this Stipulation and the determination of all controversies relating thereto,

including disputed questions of law and fact with respect to the validity of claims, shall be subject to the jurisdiction of the Court, but shall not in any event delay or affect the finality of the Judgment or Alternative Judgment.

34. No Person shall have any claim of any kind against the Released Defendant Parties or Settling Defendants' Counsel with respect to the matters set forth in this section (*i.e.*, ¶¶ 28-35) or any of its subsections, or otherwise related in any way to the administration of the Settlement, including without limitation the processing of claims and distributions.

35. No Person shall have any claim against Lead Plaintiffs, Plaintiffs' Counsel, or the Claims Administrator, or other agent designated by Lead Counsel, based on the distributions made substantially in accordance with this Stipulation and the Settlement contained herein, the Plan of Allocation, or further order(s) of the Court.

**TERMS OF THE PRELIMINARY APPROVAL ORDER**

36. Concurrently with their application for preliminary approval by the Court of the Settlement contemplated by this Stipulation and promptly upon execution of this Stipulation, Lead Counsel shall apply to the Court for entry of the Preliminary Approval Order, which shall be substantially in the form annexed hereto as Exhibit A. The Preliminary Approval Order will, *inter alia*, preliminarily approve the Settlement, set the date for the Settlement Hearing, approve the form of notice, and prescribe the method for giving notice of the Settlement to the Settlement Class. Lead Counsel and Settling Defendants' Counsel shall jointly request that the deadline for objecting to this Stipulation of Settlement be set at least forty-five (45) calendar days after the date for the initial mailing of the Notice, as set forth in the Preliminary Approval Order.

37. The Trust shall provide, or cause to be provided, to Lead Counsel or the Claims Administrator, at no cost to Lead Plaintiffs or the Settlement Class, within five (5) business days of entry of the Preliminary Approval Order, transfer records in electronic searchable form, such

as Excel, containing the names and addresses of Persons who purchased shares of the Fund during the Class Period.

### **TERMS OF THE JUDGMENT**

38. If the Settlement contemplated by this Stipulation is approved by the Court, Lead Counsel and Settling Defendants' Counsel shall jointly request that the Court enter a Judgment substantially in the form annexed hereto as Exhibit B.

39. The Judgment shall include a settlement discharge provision barring claims brought by any other Persons and arising out of the Action against the Settling Defendants to the fullest extent permitted by the Private Securities Litigation Reform Act of 1995, Pub. L. No. 104-67, 109 Stat. 737, 15 U.S.C. § 78u-4(f)(7)(A) (the "PSLRA").

40. Any final verdict or judgment that may be obtained by or on behalf of the Settlement Class against any person or entity subject to the settlement discharge set forth in paragraph 39 above shall be reduced by the greater of (a) an amount that corresponds to the percentage of responsibility of the Settling Defendants for common damages; or (b) the amount paid by or on behalf of Settling Defendants to the Settlement Class or a Settlement Class Member for common damages.

### **EFFECTIVE DATE OF SETTLEMENT**

41. The Effective Date of this Settlement shall be the first business day on which all of the following shall have occurred or been waived:

(a) entry of the Preliminary Approval Order, which shall be in all material respects substantially in the form set forth in Exhibit A annexed hereto;

(b) payment of the Settlement Amount into the Escrow Account;

(c) approval by the Court of the Settlement, following notice to the Settlement Class and the Settlement Hearing, as prescribed by Rule 23 of the Federal Rules of Civil

Procedure, as well as notice required by the Class Action Fairness Act of 2005, 28 U.S.C. § 1715 (inclusive of the final approval provision set forth in subpart (d) therein); and

(d) a Judgment, which shall be in all material respects substantially in the form set forth in Exhibit B annexed hereto, has been entered by the Court and has become Final; or in the event that an Alternative Judgment has been entered, the Alternative Judgment has become Final.

### **WAIVER OR TERMINATION**

42. Settling Defendants and Lead Plaintiffs shall have the right to terminate the Settlement and this Stipulation by providing written notice of their election to do so (“Termination Notice”), through counsel, to all other Settling Parties hereto within fourteen (14) calendar days of: (i) the Court’s Final refusal to enter the Preliminary Approval Order in any material respect; (ii) the Court’s Final refusal to approve this Stipulation or any material part of it; (iii) the Court’s Final refusal to enter (a) the Judgment in any material respect or (b) an Alternative Judgment that is acceptable to the Settling Parties; or (iv) the date upon which the Judgment or Alternative Judgment is modified or reversed in any material respect by a Final order of the Court, the United States Court of Appeals, or the Supreme Court of the United States. For the avoidance of doubt, Lead Plaintiffs shall not have the right to terminate the Settlement due to any decision, ruling, or order respecting the Fee and Expense Application or any plan of allocation.

43. In addition to the foregoing, Settling Defendants shall also have the right to withdraw from the Settlement in the event the Termination Threshold (defined below) has been reached.

(a) Simultaneously herewith, Settling Defendants’ Counsel and Lead Counsel are executing a confidential Supplemental Agreement Regarding Requests for Exclusion

(“Supplemental Agreement”). The Supplemental Agreement sets forth certain conditions under which the Settling Defendants shall have the right, which right must be exercised unanimously, to terminate the Settlement and render this Stipulation null and void in the event that requests for exclusion from the Settlement Class exceed certain agreed-upon criteria (the “Termination Threshold”). The Settling Parties agree to maintain the confidentiality of the Supplemental Agreement, which shall not be filed with the Court unless a dispute arises as to its terms, or as otherwise ordered by the Court, nor shall the Supplemental Agreement otherwise be disclosed unless ordered by the Court. If submission of the Supplemental Agreement is required for resolution of a dispute or is otherwise ordered by the Court, the Settling Parties will undertake to have the Termination Threshold submitted to the Court *in camera* or under seal. In the event of a termination of this Settlement pursuant to the Supplemental Agreement, this Stipulation shall become null and void and of no further force and effect, with the exception of the provisions of ¶¶ 47-49 which shall continue to apply.

44. The Preliminary Approval Order, attached hereto as Exhibit A, shall provide that requests for exclusion shall be received no later than twenty-one (21) calendar days prior to the Settlement Hearing. Upon receiving any request for exclusion pursuant to the Notice, Lead Counsel shall promptly, and certainly no later than five (5) calendar days after receiving a request for exclusion or fifteen (15) calendar days prior to the Settlement Hearing, whichever is earlier, notify Settling Defendants’ Counsel of such request for exclusion and provide copies of such request for exclusion and any documentation accompanying it by email.

45. In addition to all of the rights and remedies that Lead Plaintiffs have under the terms of this Stipulation, Lead Plaintiffs shall also have the right to terminate the Settlement in the event that the Settlement Amount has not been paid in the time period provided for in ¶ 7



above, but only if Lead Plaintiffs have first provided written notice of the election to terminate to all other Settling Parties and, thereafter, there is a failure to pay the Settlement Amount within fourteen (14) calendar days of such written notice.

46. If, before the Settlement become Final, (i) any of the Settling Defendants files for protection under the Bankruptcy Code or any similar law or a trustee, receiver, conservator, or other fiduciary is appointed under Bankruptcy, or any similar law; and (ii) a court of competent jurisdiction enters a final order determining that the transfer of money or any portion thereof to the Settlement Fund by or on behalf of said Settling Defendant was a preference, voidable transfer, fraudulent transfer, or similar transaction; and (iii) any portion thereof is required to be returned, and such amount is not promptly deposited into the Settlement Fund by others, then, at the election of Lead Plaintiffs, the Settling Parties shall jointly move the Court to vacate and set aside the releases given and the Judgment or Alternative Judgment entered in favor of the Settling Defendants and the Settling Parties shall be restored to their litigation positions on May 23, 2019.

(a) Settling Defendants respectively warrant, as to themselves and the payments made on their respective behalves, that, at the time of such payment, each, respectively, will not be insolvent, nor will payment render each insolvent, within the meaning of and/or for the purposes of the United States Bankruptcy Code, including Sections 101 and 547 thereof.

47. If an option to withdraw from and terminate this Stipulation and Settlement arises under any of ¶¶ 42-46 above: (i) neither Settling Defendants nor Lead Plaintiffs (as the case may be) will be required for any reason or under any circumstance to exercise that option; and (ii) any

exercise of that option shall be made in good faith, but in the sole and unfettered discretion of Settling Defendants or Lead Plaintiffs, as applicable.

48. With the exception of the provisions of ¶ 49 which shall continue to apply, in the event the Settlement is terminated as set forth herein or cannot become effective for any reason, then the Settlement shall be without prejudice, and none of its terms shall be effective or enforceable except as specifically provided herein; the Settling Parties shall be deemed to have reverted to their respective litigation positions in the Action on May 23, 2019; and, except as specifically provided herein, the Settling Parties shall proceed in all respects as if this Stipulation and any related order had not been entered. In such event, this Stipulation, and any aspect of the discussions or negotiations leading to this Stipulation shall not be admissible in this Action and shall not be used against or to the prejudice of Settling Defendants or against or to the prejudice of Lead Plaintiffs, in any court filing, deposition, at trial, or otherwise.

49. In the event the Settlement is terminated or fails to become effective for any reason, any portion of the Settlement Amount previously paid, together with any earnings thereon, less any Taxes paid or due, less Notice and Administration Expenses actually incurred and paid or payable from the Settlement Amount, shall be returned to the Person(s) that made the deposit(s) within thirty (30) calendar days after written notification of such event in accordance with instructions provided by Settling Defendants' Counsel to Lead Counsel. At the request of Settling Defendants' Counsel, the Escrow Agent or its designees shall apply for any tax refund owed on the amounts in the Escrow Account and pay the proceeds, after any deduction of any fees or expenses incurred in connection with such application(s), of such refund to the Person(s) that made the deposits or as otherwise directed.

**NO ADMISSION**

50. Except as set forth in ¶ 51 below, this Stipulation, whether or not consummated, and whether or not approved by the Court, and any discussion, negotiation, proceeding, or agreement relating to the Stipulation, the Settlement, and any matter arising in connection with settlement discussions or negotiations, proceedings, or agreements, shall not be offered or received against or to the prejudice of the Settling Parties or their respective counsel, for any purpose other than in an action to enforce the terms hereof, and in particular:

(a) do not constitute, and shall not be offered or received against or to the prejudice of Settling Defendants as evidence of, or construed as, or deemed to be evidence of any presumption, concession, or admission by Settling Defendants with respect to the truth of any allegation by Lead Plaintiffs and the Settlement Class, or the validity of any claim that has been or could have been asserted in the Action or in any litigation, including but not limited to the Released Claims, or of any liability, damages, negligence, fault or wrongdoing of Settling Defendants or any person or entity whatsoever, or of any infirmity in any of the Settling Defendants' defenses;

(b) do not constitute, and shall not be offered or received against or to the prejudice of Settling Defendants as evidence of a presumption, concession, or admission of any fault, misrepresentation, or omission with respect to any statement or written document approved or made by Settling Defendants, or against or to the prejudice of Lead Plaintiffs, or any other member of the Settlement Class as evidence of any infirmity in the claims of Lead Plaintiffs, or the other members of the Settlement Class;

(c) do not constitute, and shall not be offered or received against or to the prejudice of Settling Defendants, Lead Plaintiffs, any other member of the Settlement Class, or their respective counsel, as evidence of a presumption, concession, or admission with respect to

any liability, damages, negligence, fault, infirmity, or wrongdoing, or in any way referred to for any other reason against or to the prejudice of any of the Settling Defendants, Lead Plaintiffs, other members of the Settlement Class, or their respective counsel, in any other civil, criminal, or administrative action or proceeding, other than such proceedings as may be necessary to effectuate the provisions of this Stipulation;

(d) do not constitute, and shall not be construed against Settling Defendants, Lead Plaintiffs, or any other member of the Settlement Class, as an admission or concession that the consideration to be given hereunder represents the amount that could be or would have been recovered after trial; and

(e) do not constitute, and shall not be construed as or received in evidence as an admission, concession, or presumption against Lead Plaintiffs, or any other member of the Settlement Class that any of their claims are without merit or infirm or that damages recoverable under the Complaint would not have exceeded the Settlement Amount.

51. Notwithstanding ¶ 50 above, the Settling Parties, and their respective counsel, may file this Stipulation and/or the Judgment or Alternative Judgment in any action that may be brought against them in order to support a defense or counterclaim based on principles of *res judicata*, collateral estoppel, release, statute of limitations, statute of repose, good-faith settlement, judgment bar or reduction, or any theory of claim preclusion or issue preclusion or similar defense or counterclaim, or to effectuate any liability protection granted them under any applicable insurance policy. The Settling Parties may file this Stipulation and/or the Judgment or Alternative Judgment in any action that may be brought to enforce the terms of this Stipulation and/or the Judgment or Alternative Judgment. All Settling Parties submit to the jurisdiction of the Court for purposes of implementing and enforcing the Settlement.

**MISCELLANEOUS PROVISIONS**

52. All of the exhibits to the Stipulation, except any plan of allocation to the extent incorporated in those exhibits, and the Supplemental Agreement are material and integral parts hereof and are fully incorporated herein by this reference.

53. Pursuant to CAFA, no later than ten (10) calendar days after the Stipulation is filed with the Court, Settling Defendants, at their own cost, shall serve or cause to be served proper notice of the proposed Settlement upon those who are entitled to notice pursuant to CAFA.

54. The Settling Parties intend the Settlement to be the full, final, and complete resolution of all claims asserted or that could have been asserted by the Settling Parties with respect to the Released Claims, Cross-Released Claims and Released Defendants' Claims. Accordingly, the Settling Parties agree not to assert in any forum that the Action was brought, prosecuted, or defended in bad faith or without a reasonable basis, although the Settling Defendants retain their right to deny that any claims advanced in the Action had merit. The Settling Parties and their respective counsel agree that each has complied fully with Rule 11 of the Federal Rules of Civil Procedure in connection with the maintenance, prosecution, defense, and settlement of the claims in the Action and shall not make any application for sanctions, pursuant to Rule 11 or other court rule or statute, with respect to any claim or defense in this Action. The Settling Parties agree that the amount paid and the other terms of the Settlement were negotiated at arm's-length and in good faith by the Settling Parties and their respective counsel and reflect a settlement that was reached voluntarily based upon adequate information and after consultation with experienced legal counsel.

55. This Stipulation, along with its exhibits and the Supplemental Agreement may not be modified or amended, nor may any of its provisions be waived, except by a writing signed by counsel for the Settling Parties hereto, or their successors.

56. The headings herein are used for the purpose of convenience only and are not meant to have legal effect.

57. The administration and consummation of the Settlement as embodied in this Stipulation shall be under the authority of the Court, and the Court shall retain jurisdiction for the purpose of entering orders providing for awards of attorneys' fees and any expenses, and implementing and enforcing the terms of this Stipulation.

58. The waiver by one Settling Party of any breach of this Stipulation by any other Settling Party shall not be deemed a waiver by any other Settling Party, or a waiver by any Settling Party of any other prior or subsequent breach of this Stipulation.

59. This Stipulation, its exhibits, and the Supplemental Agreement constitute the entire agreement among the Settling Parties concerning the Settlement as against the Settling Defendants, and no representation, warranty, or inducement has been made by any Settling Party concerning this Stipulation and its exhibits other than those contained and memorialized in such documents.

60. Nothing in the Stipulation, or the negotiations relating thereto, is intended to or shall be deemed to constitute a waiver of any applicable privilege or immunity, including, without limitation, attorney-client privilege, joint defense privilege, or work product protection.

61. Without further order of the Court, the Settling Parties may agree to reasonable extensions of time to carry out any of the provisions of this Stipulation.

62. All designations and agreements made, or orders entered during the course of the Action relating to the confidentiality of documents or information shall survive this Stipulation.

63. This Stipulation may be executed in one or more counterparts. All executed counterparts and each of them shall be deemed to be one and the same instrument. Signatures sent by facsimile or via email in pdf format shall be deemed originals.

64. This Stipulation shall be binding when signed, but the Settlement shall be effective upon the entry of the Judgment or Alternative Judgment and the payment in full of the Settlement Amount, subject only to the condition that the Effective Date will have occurred.

65. This Stipulation shall be binding upon, and inure to the benefit of, the successors and assigns of the Settling Parties and the Released Parties.

66. The construction, interpretation, operation, effect, and validity of this Stipulation, and all documents necessary to effectuate it, shall be governed by the laws of the State of Illinois without regard to conflicts of laws, except to the extent that federal law requires that federal law govern.

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

68. All counsel and any other person executing this Stipulation and any of the exhibits hereto, or any related Settlement document, warrant and represent that they have the full authority to do so, and that they have the authority to take appropriate action required or permitted to be taken pursuant to the Stipulation to effectuate its terms.

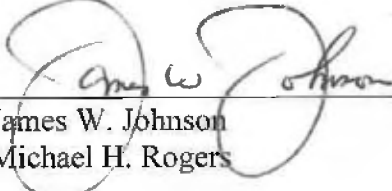
69. The Settling Parties and their respective counsel agree to cooperate fully with one another in promptly applying for preliminary approval by the Court of the Settlement and for the scheduling of a hearing for consideration of Final approval of the Settlement and Lead Counsel's Fee and Expense Application, and to agree promptly upon and execute all such other documentation as reasonably may be required to obtain Final approval by the Court of the Settlement.

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

**IN WITNESS WHEREOF**, the Settling Parties have caused this Stipulation to be executed, by their duly authorized attorneys, as of August 19, 2019.

**LABATON SUCHAROW LLP**

By: \_\_\_\_\_

  
James W. Johnson  
Michael H. Rogers

140 Broadway  
New York, NY 10005  
Telephone: (212) 907-0700  
Facsimile: (212) 818-0477  
jjohnson@labaton.com  
mrogers@labaton.com

**ROBBINS GELLER RUDMAN & DOWD LLP**

By: \_\_\_\_\_

James E. Barz  
Brian E. Cochran  
Frank A. Richter

South Wacker Drive, 31st Floor  
Chicago, IL 60606  
Telephone: (312) 674-4674



69. The Settling Parties and their respective counsel agree to cooperate fully with one another in promptly applying for preliminary approval by the Court of the Settlement and for the scheduling of a hearing for consideration of Final approval of the Settlement and Lead Counsel's Fee and Expense Application, and to agree promptly upon and execute all such other documentation as reasonably may be required to obtain Final approval by the Court of the Settlement.

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

**IN WITNESS WHEREOF**, the Settling Parties have caused this Stipulation to be executed, by their duly authorized attorneys, as of August 19, 2019.

**LABATON SUCHAROW LLP**

By: \_\_\_\_\_

James W. Johnson  
Michael H. Rogers

140 Broadway  
New York, NY 10005  
Telephone: (212) 907-0700  
Facsimile: (212) 818-0477  
jjohnson@labaton.com  
mrogers@labaton.com

**ROBBINS GELLER RUDMAN & DOWD LLP**

By:  \_\_\_\_\_


James E. Barz  
Brian E. Cochran  
Frank A. Richter

South Wacker Drive, 31st Floor  
Chicago, IL 60606  
Telephone: (312) 674-4674

Facsimile: (312) 674-4676  
jbarz@rgrdlaw.com  
bcochran@rgrdlaw.com  
frichter@rgrdlaw.com

*Co-Lead Counsel for Lead Plaintiffs and the Proposed  
Settlement Class*

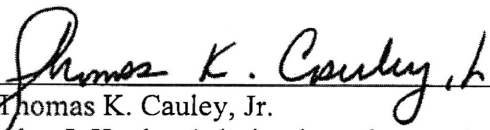
**DRINKER BIDDLE & REATH LLP**

By:   
\_\_\_\_\_  
Bradley J. Andreozzi  
Daniel J. Delaney

191 North Wacker Drive, Suite 3700  
Chicago, IL 60606  
Telephone: (312) 569-1000  
Facsimile: (312) 569-1375  
bradley.andreozzi@dbr.com  
daniel.delaney@dbr.com

*Attorneys for Two Roads Shared Trust,  
Andrew Rogers and James Colantino*

**SIDLEY AUSTIN LLP**

By:   
\_\_\_\_\_  
Thomas K. Cauley, Jr.  
Alex J. Kaplan (admitted *pro hac vice*)

One South Dearborn Street  
Chicago, IL 60603  
Telephone: (312) 853-7000  
Facsimile: (312) 853-7036  
tcauley@sidley.com

787 Seventh Avenue  
New York, NY 10019  
Telephone: (212) 839-5300  
Facsimile: (212) 839-5599  
ajkaplan@sidley.com

*Attorneys for Northern Lights Distributors, LLC*

**BLANK ROME LLP**

By:   
\_\_\_\_\_  
Evan H. Lechtman  
Charles Fitzpatrick, IV

130 North 18th Street  
One Logan Square  
Philadelphia, PA 19103  
Telephone: (215) 569-5367  
Facsimile: (215) 569-5367  
lechtman@blankrome.com  
fitzpatrick-c@blankrome.com

*Attorneys for Mark Gersten, Mark Garbin,  
Neil Kaufman and Anita Krug*

**GOODWIN PROCTER LLP**

By: \_\_\_\_\_  
Daniel P. Roeser  
Mark Holland  
Roberto M. Braceras

The New York Times Building  
620 Eighth Avenue  
New York, NY 10018  
Phone: (212) 813-8800  
Facsimile: (212) 355-3333

100 Northern Avenue  
Boston, MA 02210  
Phone: (617) 570-1000  
Facsimile: (617) 523-1231  
droeser@goodwinlaw.com  
mholland@goodwinlaw.com  
rbraceras@goodwinlaw.com

*Attorneys for NorthStar Financial Services Group, LLC*

*Attorneys for Northern Lights Distributors, LLC*


**BLANK ROME LLP**

By: \_\_\_\_\_  
Evan H. Lechtman  
Charles Fitzpatrick, IV

130 North 18th Street  
One Logan Square  
Philadelphia, PA 19103  
Telephone: (215) 569-5367  
Facsimile: (215) 569-5367  
lechtman@blankrome.com  
fitzpatrick-c@blankrome.com

*Attorneys for Mark Gersten, Mark Garbin,  
Neil Kaufman and Anita Krug*

**GOODWIN PROCTER LLP**

By:  \_\_\_\_\_  
Daniel P. Roeser  
Mark Holland  
Roberto M. Braceras

The New York Times Building  
620 Eighth Avenue  
New York, NY 10018  
Phone: (212) 813-8800  
Facsimile: (212) 355-3333

100 Northern Avenue  
Boston, MA 02210  
Phone: (617) 570-1000  
Facsimile: (617) 523-1231  
droeser@goodwinlaw.com  
mholland@goodwinlaw.com  
rbraceras@goodwinlaw.com

*Attorneys for NorthStar Financial Services Group, LLC*

CERTIFICATE OF SERVICE

I hereby certify under penalty of perjury that on August 19, 2019, I authorized the electronic filing of the foregoing with the Clerk of the Court using the CM/ECF system which will send notification of such filing to the e-mail addresses on the attached Electronic Mail Notice List, and I hereby certify that I caused the mailing of the foregoing via the United States Postal Service to the non-CM/ECF participants indicated on the attached Manual Notice List.

s/James E. Barz

---

JAMES E. BARZ

ROBBINS GELLER RUDMAN  
& DOWD LLP  
200 South Wacker Drive, 31st Floor  
Chicago, IL 60606  
Telephone: 312/674-4674  
312/674-4676 (fax)

E-mail: [JBarz@rgrdlaw.com](mailto:JBarz@rgrdlaw.com)

## Mailing Information for a Case 1:18-cv-01039 Sokolow v. LJM Funds Management, Ltd. et al

### Electronic Mail Notice List

The following are those who are currently on the list to receive e-mail notices for this case.

- **Bradley Joseph Andreozzi**  
bradley.andreozzi@dbr.com,docketmail@dbr.com,patricia.torbert@dbr.com
- **Amy Curtner Andrews**  
aandrews@sidley.com,efilingnotice@sidley.com,amy-andrews-6537@ecf.pacerpro.com
- **James E Barz**  
jbarz@rgrdlaw.com,mburch@rgrdlaw.com,e\_file\_sd@rgrdlaw.com
- **Roberto M. Braceras**  
rbraceras@goodwinprocter.com
- **Brian E. Cochran**  
BCochran@rgrdlaw.com
- **Michael Elliot Criden**  
mcriden@cridenlove.com
- **Daniel J. Delaney**  
daniel.delaney@dbr.com,violet.mendiola@dbr.com,diane.ravenscraft@dbr.com
- **Michael C Dell'Angelo**  
mdellangelo@bm.net,tstires@bm.net
- **Ashley Moore Drake**  
Amdrake@goodwinlaw.com
- **Daniel R Fine**  
danfine@bfkn.com,daniel-fine-bfkn-2199@ecf.pacerpro.com,ourdocket@gmail.com,dan-fine-8661@ecf.pacerpro.com
- **Charles Alphonsus Fitzpatrick , IV**  
Fitzpatrick-C@BlankRome.com
- **Kyle L Flynn**  
flynnk@gtlaw.com,ickesp@gtlaw.com,CHILitDock@GTLAW.com
- **Michael Jerry Freed**  
mfreed@fklmlaw.com,mkhamoo@fklmlaw.com
- **Carol V Gilden**  
cgilden@cohenmilstein.com,lhoeksema@cohenmilstein.com,efilings@cohenmilstein.com
- **Lindsey Caryn Grossman**  
lgrossman@cridenlove.com
- **Jeffry Mark Henderson**  
hendersonj@gtlaw.com,liabol@gtlaw.com,CHILitDock@GTLAW.com
- **Brian M. Hogan**  
bhogan@fklmlaw.com
- **Mark Holland**  
mholland@goodwinlaw.com
- **Mathew Jasinski**  
mjasinski@motleyrice.com,kweil@motleyrice.com
- **James W. Johnson**  
JJohnson@labaton.com,7592785420@filings.docketbird.com,lpina@labaton.com,smundo@labaton.com,electroniccasefiling@labaton.com
- **Matthew Langley**  
mlangley@rgrdlaw.com

- **Thomas L. Laughlin , IV**  
tlaughlin@scott-scott.com,ksteinberger@scott-scott.com,efile@scott-scott.com
- **Evan Lechtman**  
lechtman@blankrome.com
- **Gregg S. Levin**  
glevin@motleyrice.com,lmclaughlin@motleyrice.com,erichards@motleyrice.com,kweil@motleyrice.com
- **William Henry London**  
wlondon@fklmlaw.com,mkhamoo@fklmlaw.com
- **Louis Carey Ludwig**  
lcludwig@pomlaw.com,kgutierrez@labaton.com
- **Joshua Wendell Mahoney**  
joshua.mahoney@bfkn.com,lauren.dwyer@bfkn.com,ourdocket@gmail.com,joshua-mahoney-bfkn-4006@ecf.pacerpro.com
- **Steven Marc Malina**  
malinas@gtlaw.com,CHILitDock@gtlaw.com,caswickc@gtlaw.com
- **Francis P. Mcconville**  
fmconville@labaton.com,lpina@labaton.com,drogers@labaton.com,9849246420@filings.docketbird.com,electroniccasefiling@labaton.com
- **Matthew M Morrissey**  
matthew.morrissey@dbr.com,alice.continpage@dbr.com
- **Todd Edward Pentecost**  
pentecostt@gtlaw.com,sullivanka@gtlaw.com,chilitdock@gtlaw.com
- **Frank Anthony Richter**  
frichter@rgrdlaw.com
- **Daniel P. Roeser**  
DRoeser@goodwinlaw.com
- **Michael H Rogers**  
mrogers@labaton.com,lpina@labaton.com,8956253420@filings.docketbird.com,electroniccasefiling@labaton.com
- **David A Rosenfeld**  
drosenfeld@rgrdlaw.com,e\_file\_ny@rgrdlaw.com,e\_file\_sd@rgrdlaw.com
- **Peter G. Rush**  
rushp@gtlaw.com,browntk@gtlaw.com,chilitdock@gtlaw.com
- **Margaret Schmidt**  
mschmidt@labaton.com,lpina@labaton.com,electroniccasefiling@labaton.com
- **Jennifer Winter Sprengel**  
jsprengel@caffertyclobes.com,docket@caffertyclobes.com,snyland@caffertyclobes.com
- **Rhiana L Swartz**  
rswartz@scott-scott.com,ksteinberger@scott-scott.com,efile@scott-scott.com

## Manual Notice List

The following is the list of attorneys who are **not** on the list to receive e-mail notices for this case (who therefore require manual noticing). You may wish to use your mouse to select and copy this list into your word processing program in order to create notices or labels for these recipients.

- (No manual recipients)

**INDEX OF EXHIBITS TO STIPULATION AND AGREEMENT OF PARTIAL SETTLEMENT**

DOCUMENT	EXHIBIT
[Proposed] Order Granting Preliminary Approval of Partial Class Action Settlement, Approving Form and Manner of Notice, and Setting Date for Hearing on Final Approval of Partial Class Action Settlement	A
Notice of Pendency of Class Action, Proposed Partial Class Action Settlement, and Motion for Attorneys' Fees and Expenses	A-1
Proof of Claim and Release	A-2
Summary Notice of Pendency of Class Action, Proposed Partial Class Action Settlement, and Motion for Attorneys' Fees and Expenses	A-3
[Proposed] Final Order and Judgment as to Settling Defendants	B



# **Exhibit A**

**UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF ILLINOIS  
EASTERN DIVISION**

LEONARD SOKOLOW, Individually and on Behalf of All Others Similarly Situated,	)	Case No. 1:18-cv-01039
	)	
Plaintiff,	)	Hon. Judge Robert M. Dow, Jr.
	)	
vs.	)	
	)	
LJM FUNDS MANAGEMENT, LTD., et al.,	)	
	)	
Defendants.	)	
	)	
<hr style="width: 45%; margin-left: 0;"/>	)	

**[PROPOSED] ORDER GRANTING PRELIMINARY APPROVAL OF PARTIAL CLASS  
ACTION SETTLEMENT, APPROVING FORM AND MANNER OF NOTICE, AND  
SETTING DATE FOR HEARING ON FINAL APPROVAL OF  
PARTIAL CLASS ACTION SETTLEMENT**

WHEREAS, as of August 19, 2019 Lead Plaintiffs Justin and Jenny Kaufman, Joseph N. Wilson, Dr. Larry and Marilyn Cohen, Tradition Capital Management LLC, and SRS Capital Advisors, Inc. (collectively, “Lead Plaintiffs”), on behalf of themselves and all other members of the proposed Settlement Class (defined below), on the one hand, and defendants Two Roads Shared Trust, (the “Trust”), Northern Lights Distributors, LLC (“NLD”), NorthStar Financial Services Group, LLC (“NorthStar”), and Mark D. Gersten, Mark Garbin, Neil M. Kaufman, Anita K. Krug, Andrew B. Rogers, and James Colantino (collectively, the “Individual Settling Defendants” and, with the Trust, NLD, and NorthStar, the “Settling Defendants”), on the other, entered into a Stipulation and Agreement of Partial Settlement (the “Stipulation”) in the above-titled litigation (the “Action”), which is subject to review under Rule 23 of the Federal Rules of Civil Procedure, and which, together with the exhibits thereto, sets forth the terms and conditions of the proposed settlement of the claims against the Settling Defendants alleged in the

Consolidated Complaint for Violations of the Federal Securities Laws, filed on August 16, 2018, on the merits and with prejudice (the “Settlement”); and

WHEREAS, the Court has reviewed and considered the Stipulation and the accompanying exhibits; and

WHEREAS, the parties to the Stipulation have consented to the entry of this order; and

WHEREAS, all capitalized terms used in this order that are not otherwise defined herein have the meanings defined in the Stipulation;

NOW, THEREFORE, IT IS HEREBY ORDERED, this \_\_\_\_\_ day of \_\_\_\_\_, 2019 that:

1. The Court has reviewed the Stipulation and preliminarily finds, pursuant to Fed. R. Civ. P. 23(e)(1), that the Court will likely be able to approve the proposed Settlement as fair, reasonable, and adequate under Federal Rule of Civil Procedure 23(e)(2), subject to further consideration at the Settlement Hearing described below.

2. Pursuant to Rules 23(a) and (b)(3) of the Federal Rules of Civil Procedure, the Court hereby preliminarily certifies, for the purposes of the Settlement only, the Settlement Class of: all persons and entities who purchased or otherwise acquired shares of the LJM Preservation and Growth Fund during the period from February 28, 2015 through February 7, 2018, inclusive, (the “Class Period”). Excluded from the Settlement Class are: (i) Defendants and their affiliates; (ii) the officers, directors, and/or trustees of LJM Funds Management, Ltd., Two Roads Shared Trust, Northern Lights Distributors, LLC, NorthStar Financial Services Group, LLC, or the Fund; (iii) members of the immediate families of any such excluded person; (iv) any firm, trust, corporation, or entity in which any Defendant has a controlling interest; and (vi) the legal representatives, heirs, successors, and assigns of any excluded person or entity. Also excluded

from the Settlement Class will be any Person that timely and validly submits a request for exclusion in accordance with the requirements set forth below and in the Notice.

3. The Court finds and preliminarily concludes that the prerequisites of class action certification under Rules 23(a) and 23(b)(3) of the Federal Rules of Civil Procedures have been satisfied for the Settlement Class defined herein and for the purposes of the Settlement only, in that:

- (a) the members of the Settlement Class are so numerous that joinder of all Settlement Class Members is impracticable;
- (b) there are questions of law and fact common to the Settlement Class Members;
- (c) the claims of Lead Plaintiffs are typical of the Settlement Class's claims;
- (d) Lead Plaintiffs and Lead Counsel have fairly and adequately represented and protected the interests of the Settlement Class;
- (e) the questions of law and fact common to Settlement Class Members predominate over any individual questions; and
- (f) a class action is superior to other available methods for the fair and efficient adjudication of the controversy, considering that the claims of Settlement Class Members in the Action are substantially similar and would, if tried, involve substantially identical proofs and may therefore be efficiently litigated and resolved on an aggregate basis as a class action; the amounts of the claims of many of the Settlement Class Members are too small to justify the expense of individual actions; and it does not appear that there is significant interest among Settlement Class Members in individually controlling the litigation of their claims.

4. Pursuant to Rule 23 of the Federal Rules of Civil Procedure, and for the purposes of the Settlement only, Lead Plaintiffs Justin and Jenny Kaufman, Joseph N. Wilson, Dr. Larry and Marilyn Cohen, Tradition Capital Management LLC, and SRS Capital Advisors, Inc. are preliminarily certified as Class Representatives for the Settlement Class. The law firms of Robbins Geller Rudman & Dowd LLP and Labaton Sucharow LLP are preliminarily appointed Class Counsel for the Settlement Class.

5. A hearing (the “Settlement Hearing”), pursuant to Rule 23(e) of the Federal Rules of Civil Procedure, is hereby scheduled to be held before the Court, at the Everett McKinley Dirksen United States Courthouse, 219 S. Dearborn, Chicago, Illinois 60604, in Courtroom 1903, on \_\_\_\_\_, 2019, at \_\_:\_\_\_\_\_.m. for the following purposes:

(a) to determine whether the proposed Settlement is fair, reasonable and adequate, and should be approved by the Court;

(b) to determine whether the proposed Final Order and Judgment as to Settling Defendants (“Judgment”) as provided under the Stipulation should be entered, and to determine whether the release by the Settlement Class of the Released Claims, as set forth in the Stipulation, should be provided to the Released Defendant Parties;

(c) to determine, for purposes of the Settlement only, whether the Settlement Class should be finally certified; whether Lead Plaintiffs should be finally certified as Class Representatives for the Settlement Class; whether the law firms of Robbins Geller Rudman & Dowd LLP and Labaton Sucharow LLP should be finally appointed as Class Counsel for the Settlement Class;

(d) to determine whether the proposed Plan of Allocation for the proceeds of the Settlement is fair and reasonable and should be approved by the Court;

(e) to consider Lead Counsel’s application for an award of attorneys’ fees and/or expenses (which may include an application for an award to Lead Plaintiffs for reimbursement of their reasonable costs and expenses directly related to their representation of the Settlement Class, pursuant to the Private Securities Litigation Reform Act of 1995 (“PSLRA”)); and

(f) to rule upon such other matters as the Court may deem appropriate.

6. The Court reserves the right to approve the Settlement with or without modification and with or without further notice to the Settlement Class of any kind. The Court further reserves the right to enter the Judgment approving the Settlement regardless of whether it will approve the proposed Plan of Allocation or award attorneys’ fees and/or expenses. The Court may also adjourn or continue the Settlement Hearing or modify any of the dates herein without further notice to members of the Settlement Class.

7. The Court approves the form, substance and requirements of the Notice of Pendency of Class Action, Proposed Partial Class Action Settlement, and Motion for Attorneys’ Fees and Expenses (the “Notice”) and the Proof of Claim and Release form (“Proof of Claim”), substantially in the forms annexed hereto as Exhibits 1 and 2, respectively.

8. The Court approves the retention of \_\_\_\_\_ (“\_\_\_\_\_”) as the Claims Administrator. The Claims Administrator shall cause the Notice and the Proof of Claim, substantially in the forms annexed hereto, to be mailed, by first-class mail, postage prepaid, on or before ten (10) business days after entry of this Preliminary Approval Order (“Notice Date”), to all Settlement Class Members who can be identified with reasonable effort. The Trust, to the extent it has not already done so, shall use its best efforts to obtain and provide to Lead Counsel, or the Claims Administrator, transfer records in electronic searchable form containing the names

and addresses of purchasers of shares of the Fund during the Class Period no later than five (5) business days after entry of this Preliminary Approval Order.

9. The Claims Administrator shall use reasonable efforts to give notice to nominee purchasers such as brokerage firms and other persons or entities who purchased or otherwise acquired shares of the Fund during the Class Period as record owners but not as beneficial owners.

(a) Such nominees SHALL EITHER: (i) WITHIN TEN (10) CALENDAR DAYS of receipt of the Notice, request from the Claims Administrator sufficient copies of the Notice to forward to all such beneficial owners and WITHIN TEN (10) CALENDAR DAYS of receipt of those Notices from the Claims Administrator forward them to all such beneficial owners; or (ii) WITHIN TEN (10) CALENDAR DAYS of receipt of the Notice, provide a list of the names and addresses of all such beneficial owners to the Claims Administrator and the Claims Administrator is ordered to send the Notice promptly to such identified beneficial owners.

(b) Nominees shall also provide email addresses for all such beneficial owners to the Claims Administrator, to the extent they are available.

(c) Nominees who elect to send the Notice to their beneficial owners SHALL ALSO send a statement to the Claims Administrator confirming that the mailing was made and shall retain their mailing records for use in connection with any further notices that may be provided in the Action.

(d) Upon full and timely compliance with these directions, nominees may seek reimbursement of their reasonable out-of-pocket expenses actually incurred in connection with complying with the above requirements by providing the Claims Administrator with

proper documentation supporting the expenses for which reimbursement is sought. The Claims Administrator shall, if requested, reimburse nominees out of the Settlement Fund solely for their reasonable out-of-pocket expenses incurred in providing notice to beneficial owners, which expenses would not have been incurred except for the sending of such Notice, and subject to further order of this Court with respect to any dispute concerning such reimbursement.

10. Lead Counsel shall, at or before the Settlement Hearing, file with the Court proof of mailing of the Notice and Proof of Claim.

11. The Court approves the form of the Summary Notice of Pendency of Class Action, Proposed Partial Class Action Settlement, and Motion for Attorneys' Fees and Expenses ("Summary Notice") substantially in the form annexed hereto as Exhibit 3, and directs that Lead Counsel shall cause the Summary Notice to be published in *The Wall Street Journal* and be transmitted over *PR Newswire* within fourteen (14) calendar days of the Notice Date. Lead Counsel shall, at or before the Settlement Hearing, file with the Court proof of publication of the Summary Notice.

12. The form and content of the notice program described herein, and the methods set forth herein of notifying the Settlement Class of the Settlement and its terms and conditions, meet the requirements of Rule 23 of the Federal Rules of Civil Procedure, Section 27 of the Securities Act of 1933, 15 U.S.C. §77z-1(a)(7), as amended by the PSLRA, and due process, constitute the best notice practicable under the circumstances, and shall constitute due and sufficient notice to all persons and entities entitled thereto.

13. In order to be eligible to receive a distribution from the Net Settlement Fund, in the event the Settlement is effected in accordance with the terms and conditions set forth in the



Stipulation, each claimant shall take the following actions and be subject to the following conditions:

(a) A properly executed Proof of Claim, substantially in the form annexed hereto as Exhibit 2, must be submitted to the Claims Administrator, at the address indicated in the Notice, no later than seven (7) calendar days before the Settlement Hearing. Such deadline may be further extended by Court order or by Lead Counsel in their discretion. Each Proof of Claim shall be deemed to have been submitted when postmarked (if properly addressed and mailed by first-class or overnight mail, postage prepaid). Any Proof of Claim submitted in any other manner shall be deemed to have been submitted when it was actually received at the address designated in the Notice. Any Settlement Class Member who does not timely submit a Proof of Claim within the time provided for shall be barred from sharing in the distribution of the Net Settlement Fund, unless otherwise ordered by the Court, but shall remain bound by all determinations and judgments in this Action concerning the Settlement, as provided by paragraph 15 of this order.

(b) The Proof of Claim submitted by each claimant must satisfy the following conditions, unless otherwise allowed pursuant to the Stipulation: (i) it must be properly completed, signed and submitted in a timely manner in accordance with the provisions of the preceding subparagraph; (ii) it must be accompanied by adequate supporting documentation for the transactions reported therein, in the form of broker confirmation slips, broker account statements, an authorized statement from the broker containing the transactional information found in a broker confirmation slip, or such other documentation as is deemed adequate by the Claims Administrator and/or Lead Counsel; (iii) if the person executing the Proof of Claim is acting in a representative capacity, a certification of his or her current

authority to act on behalf of the claimant must be included in the Proof of Claim; and (iv) the Proof of Claim must be complete and contain no material deletions or modifications of any of the printed matter contained therein and must be signed under penalty of perjury.

(c) As part of the Proof of Claim, each claimant shall submit to the jurisdiction of the Court with respect to the claim submitted.

14. Any Settlement Class Member may enter an appearance in this Action, at his, her or its own expense, individually or through counsel of his, her or its own choice. If any Settlement Class Member does not enter an appearance, he, she or it will be represented by Lead Counsel.

15. Settlement Class Members shall be bound by all orders, determinations and judgments in this Action concerning the Settlement, whether favorable or unfavorable, unless such Persons request exclusion from the Settlement Class in a timely and proper manner, as hereinafter provided. A putative Settlement Class Member wishing to make such an exclusion request shall mail the request in written form by first-class mail to the Claims Administrator at the address designated in the Notice for such exclusions, such that it is received no later than twenty-one (21) calendar days prior to the Settlement Hearing. Such request for exclusion must state the name, address and telephone number of the Person seeking exclusion, must state that the sender requests to be “excluded from the Settlement Class in *Sokolow v. LJM Funds Management, Ltd.*, No. 18-cv-01039 (N.D. Ill.)” and must be signed by such Person. Such Persons requesting exclusion are also directed to state the information requested in the Notice, including, but not limited to: the date(s), price(s), and number(s) of shares of all purchases and sales of shares of the Fund during the Class Period. The request for exclusion shall not be

effective unless it provides the required information and is made within the time stated above, or the exclusion is otherwise accepted by the Court.

16. Putative Settlement Class Members requesting exclusion from the Settlement Class shall not be eligible to receive any payment out of the Net Settlement Fund as described in the Stipulation and Notice.

17. The Court will consider any Settlement Class Member's objection to the Settlement, the Plan of Allocation, and/or the application for an award of attorneys' fees or expenses only if such Settlement Class Member has served by hand or by mail his, her or its written objection and supporting papers, such that they are received on or before twenty-one (21) calendar days before the Settlement Hearing, upon Lead Counsel: James W. Johnson, Labaton Sucharow LLP, 140 Broadway, New York, NY 10005; James E. Barz, Robbins, Geller, Rudman & Dowd LLP, 200 South Wacker Drive, Chicago, IL 60606; and Settling Defendants' Counsel's Representative: Amy C. Andrews, Esq., Sidley Austin LLP, One South Dearborn, Chicago, IL 60603; and has filed said objections and supporting papers with the Clerk of the Court, United States District Court for the Northern District of Illinois, 219 S. Dearborn, Chicago, IL 60604. Any Settlement Class Member who does not make his, her, or its objection in the manner provided for in the Notice shall be deemed to have waived such objection and shall forever be foreclosed from making any objection to any aspect of the Settlement, to the Plan of Allocation, or to the request for attorneys' fees and expenses, unless otherwise ordered by the Court, but shall otherwise be bound by the Judgment to be entered and the releases to be given. Attendance at the hearing is not necessary, however, persons wishing to be heard orally in opposition to the approval of the Settlement, the Plan of Allocation, and/or the application for an award of attorneys' fees and other expenses are required to indicate in their written objection their

intention to appear at the hearing. Persons who intend to object to the Settlement, the Plan of Allocation, and/or the application for an award of attorneys' fees and expenses and desire to present evidence at the Settlement Hearing must include in their written objections the identity of any witnesses they may call to testify and exhibits they intend to introduce into evidence at the Settlement Hearing.

18. Settlement Class Members do not need to appear at the hearing or take any other action to indicate their approval.

19. Pending final determination of whether the Settlement should be approved, Lead Plaintiffs, all Settlement Class Members, and each of them, and anyone who acts or purports to act on their behalf, shall not institute, commence or prosecute any action which asserts Released Claims against the Released Defendant Parties.

20. All papers in support of the Settlement, Plan of Allocation, and Lead Counsel's request for an award of attorneys' fees and expenses shall be filed with the Court and served on or before thirty-five (35) calendar days prior to the date set herein for the Settlement Hearing. If reply papers are necessary, they are to be filed with the Court and served no later than seven (7) calendar days prior to the Settlement Hearing.

21. The passage of title and ownership of the Settlement Fund to the Escrow Agent in accordance with the terms and obligations of the Stipulation is approved. No person who is not a Settlement Class Member or Lead Counsel shall have any right to any portion of, or to any distribution of, the Net Settlement Fund unless otherwise ordered by the Court or otherwise provided in the Stipulation.

22. All funds held in escrow shall be deemed and considered to be in *custodia legis* of the Court, and shall remain subject to the jurisdiction of the Court until such time as such funds shall be disbursed pursuant to the Stipulation and/or further order of the Court.

23. Neither Settling Defendants nor their counsel shall have any responsibility for the Plan of Allocation or any application for attorney's fees or expenses submitted by Lead Counsel or Lead Plaintiffs, and such matters shall be considered separately from the fairness, reasonableness and adequacy of the Settlement.

24. If the Settlement fails to become effective as defined in the Stipulation or is terminated, then both the Stipulation, including any amendment(s) thereof, except as expressly provided in the Stipulation, and this Preliminary Approval Order shall be null and void, of no further force or effect, and without prejudice to any Settling Party, and may not be introduced as evidence or used in any actions or proceedings by any person or entity against the Settling Parties, and the Settling Parties shall be deemed to have reverted to their respective litigation positions in the Action as of May 23, 2019.

DATED this \_\_\_\_\_ day of \_\_\_\_\_, 2019

---

Honorable Robert M. Dow, Jr.  
UNITED STATES DISTRICT JUDGE

# **Exhibit A-1**

UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF ILLINOIS  
EASTERN DIVISION

LEONARD SOKOLOW, Individually and on Behalf of All Others Similarly Situated,	)	Case No. 1:18-cv-01039
	)	
Plaintiff,	)	Hon. Judge Robert M. Dow, Jr.
	)	
vs.	)	
	)	
LJM FUNDS MANAGEMENT, LTD., et al.,	)	
	)	
Defendants.	)	
	)	
	)	

---

**NOTICE OF PENDENCY OF CLASS ACTION, PROPOSED  
PARTIAL CLASS ACTION SETTLEMENT, AND MOTION FOR  
ATTORNEYS’ FEES AND EXPENSES**

If you purchased shares of the LJM Preservation and Growth Fund (LJMAX, LJMCX, or LJMIX) (the “Fund”) during the period from February 28, 2015 through February 7, 2018, inclusive, you may be entitled to a payment from a class action settlement.

*A Federal Court authorized this Notice. This is not a solicitation from a lawyer.*

- The purpose of this Notice is to inform you of the pendency of this securities class action (the “Action”), the proposed partial settlement of the Action with certain of the defendants (the “Settlement”),<sup>1</sup> and a hearing to be held by the Court to consider: (i) whether the Settlement should be approved; (ii) whether the Settlement Class should be certified; (iii) whether the proposed plan for allocating the proceeds of the Settlement (the “Plan of Allocation”) should be approved; and (iv) Lead Counsel’s application for attorneys’ fees and expenses (*see* pages \_\_\_ and \_\_\_ below). This Notice describes important rights you may have if you are a member of the Settlement Class and what steps you must take if you wish to participate in the Settlement, wish to object, or wish to be excluded from the Settlement Class.
- If approved by the Court, the Settlement will create a \$12,850,000 cash fund, plus any earned interest, for the benefit of eligible Settlement Class Members, less the deduction

<sup>1</sup> The terms of the Settlement are in the Stipulation and Agreement of Partial Settlement, dated \_\_\_\_\_, 2019 (the “Stipulation”), which can be viewed at [www.\\_\\_\\_\\_\\_](http://www._____), [www.labaton.com](http://www.labaton.com), and [www.rgrdlaw.com](http://www.rgrdlaw.com). All capitalized terms not defined in this Notice have the same meanings as defined in the Stipulation.

of attorneys’ fees and expenses awarded by the Court, Notice and Administration Expenses, and Taxes.

- The Settlement resolves claims by Court-appointed Lead Plaintiffs Justin and Jenny Kaufman, Joseph N. Wilson, Dr. Larry and Marilyn Cohen, Tradition Capital Management LLC (“Tradition”), and SRS Capital Advisors, Inc. (“SRS”) (collectively, “Lead Plaintiffs”) that have been asserted on behalf of the Settlement Class (defined below) against Two Roads Shared Trust (the “Trust”), Northern Lights Distributors, LLC (“NLD”), NorthStar Financial Services Group, LLC (“NorthStar”), and Mark D. Gersten, Mark Garbin, Neil M. Kaufman, Anita K. Krug, Andrew B. Rogers, and James Colantino (collectively, the “Individual Settling Defendants” and, with the Trust, NLD, and NorthStar, the “Settling Defendants”). It avoids the costs and risks of continuing the litigation against the Settling Defendants; pays money to eligible investors; and releases the Released Defendant Parties (defined below) from liability.
- The claims against LJM Funds Management, Ltd. (“LJM”), Anthony J. Caine, and Anish Parvataneni (the “Non-Settling Defendants”) will continue to be litigated. There is no guarantee that any additional money will be recovered.

**If you are a Settlement Class Member, your legal rights will be affected by this Settlement whether you act or do not act. Please read this Notice carefully.**

<b>YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT</b>	
<b>SUBMIT A CLAIM FORM BY _____, 2019</b>	The <u>only</u> way to get a payment. <i>See</i> Question 8 below for details.
<b>EXCLUDE YOURSELF FROM THE SETTLEMENT CLASS BY _____, 2019</b>	Get no payment. This is the only option that, assuming your claim is timely brought, might allow you to ever bring or be part of any other lawsuit against the Settling Defendants and/or the other Released Defendant Parties concerning the Released Claims. <i>See</i> Question 11 below for details.
<b>OBJECT BY _____, 2019</b>	Write to the Court about why you do not like the Settlement, the Plan of Allocation, or the Fee and Expense Application. If you object, you will still be a member of the Settlement Class. <i>See</i> Question 16 below for details.
<b>GO TO A HEARING ON _____, 2019 AND FILE A NOTICE OF INTENTION TO APPEAR BY _____, 2019</b>	Ask to speak in Court at the Settlement Hearing about the Settlement. <i>See</i> Question 20 below for details.
<b>DO NOTHING</b>	Get no payment. Give up rights.

- These rights and options—and the deadlines to exercise them—are explained in this Notice.
- The Court in charge of this case still has to decide whether to approve the Settlement. Payments will be made to all Settlement Class Members who timely submit valid Claim



Forms, if the Court approves the Settlement, at the conclusion of the Action, and after the Court awards attorneys' fees and expenses, and any appeals are resolved. Please be patient.

### SUMMARY OF THE NOTICE

#### Statement of the Settlement Class's Recovery

1. Subject to Court approval, Lead Plaintiffs, on behalf of the Settlement Class, have agreed to settle the claims against the Settling Defendants in exchange for a payment of \$12,850,000 in cash (the "Settlement Amount"), which will be deposited into an interest-bearing Escrow Account (the "Settlement Fund"). Based on Lead Counsel's estimate of the number of shares of the Fund eligible to participate in the Settlement, and assuming that all investors eligible to participate in the Settlement do so, it is estimated that the average recovery, before deduction of any Court-approved fees and expenses, such as attorneys' fees, litigation expenses, Taxes, and Notice and Administration Expenses, would be approximately \$0.18 per allegedly damaged share.<sup>2</sup> If the Court approves Lead Counsel's Fee and Expense Application (discussed below), the average recovery would be approximately \$0.13 per allegedly damaged share. **These average recovery amounts are only estimates and Settlement Class Members may recover more or less than these estimated amounts.** A Settlement Class Member's actual recovery will depend on, for example: (i) the total number of claims submitted; (ii) the amount of the Net Settlement Fund; (iii) when the Settlement Class Member purchased or acquired shares of the Fund during the Class Period; and (iv) whether and when the Settlement Class Member sold shares. *See* the Plan of Allocation beginning on page [ ] for information on the calculation of your Recognized Claim.

---

<sup>2</sup> An allegedly damaged share might have been traded, and potentially damaged, more than once during the Class Period, and the average recovery indicated above represents the estimated average recovery for each share that allegedly incurred damages.

**Statement of Potential Outcome of Case if the Action Continued to Be Litigated**

2. The Settling Parties disagree about both liability and damages and do not agree about the amount of damages that would be recoverable if Lead Plaintiffs were to prevail on each claim alleged. The issues on which the Settling Parties disagree include, for example: (i) whether the Settling Defendants made any statements or omitted any facts that were materially false or misleading, or otherwise actionable under the federal securities laws; (ii) whether certain of the Settling Defendants engaged in appropriate due diligence; (iii) the extent to which factors such as general market, economic, and industry conditions influenced the trading prices of the Fund's shares; and (iv) whether class members suffered any damages.

3. Settling Defendants have denied and continue to deny any and all allegations of wrongdoing or fault asserted in the Action, deny that they have committed any act or omission giving rise to any liability or violation of law, and deny that Lead Plaintiffs and the Settlement Class have suffered any loss attributable to Settling Defendants' actions or omissions. While Lead Plaintiffs believe that they have meritorious claims, they recognize that there are significant obstacles in the way to recovery.

**Statement of Attorneys' Fees and Expenses Sought**

4. Lead Counsel will apply to the Court for an award of attorneys' fees from the Settlement Fund in an amount not to exceed 28% of the Settlement Fund, which includes any accrued interest. Lead Counsel will also apply for payment of litigation expenses incurred in prosecuting the Action in an amount not to exceed \$100,000, plus accrued interest, which may include an application pursuant to the Private Securities Litigation Reform Act of 1995 ("PSLRA") for an award to Lead Plaintiffs directly related to their litigation efforts on behalf of the Settlement Class. If the Court approves Lead Counsel's Fee and Expense Application in full, the average amount of fees and expenses, assuming claims are filed for all shares eligible to

participate in the Settlement, will be approximately \$0.05 per allegedly damaged share. A copy of the Fee and Expense Application will be posted on [www.\\_\\_\\_\\_\\_.com](http://www._____.com), [www.rgrdlaw.com](http://www.rgrdlaw.com), and [www.labaton.com](http://www.labaton.com) after it has been filed with the Court.

**Reasons for the Settlement**

5. For Lead Plaintiffs, the principal reason for the Settlement is the guaranteed cash benefit to the Settlement Class. This benefit must be compared to the uncertainty of being able to prove the allegations in the Complaint asserted against the Settling Defendants; maintaining certification of the class through trial; the risk that the Court may grant the Settling Defendants' pending motion to dismiss and the anticipated motions for summary judgment that may be filed by Settling Defendants; the uncertainty of a greater recovery after a trial and appeals, as well as Lead Plaintiffs' ability to enforce a judgment against Settling Defendants; the risks of litigation, especially in complex actions like this; as well as the difficulties and delays inherent in such litigation (including any trial and appeals).

6. For Settling Defendants, who deny all allegations of wrongdoing or liability whatsoever and deny that Settlement Class Members were damaged, the principal reason for entering into the Settlement is to end the burden, expense, uncertainty, and risk of further litigation.

**Identification of Attorneys' Representatives**

7. Lead Plaintiffs and the Settlement Class are represented by Lead Counsel, James W. Johnson, Labaton Sucharow LLP, 140 Broadway, New York, NY 10005, (888) 219-6877, [www.labaton.com](http://www.labaton.com), [settlementquestions@labaton.com](mailto:settlementquestions@labaton.com); and James E. Barz, Robbins Geller Rudman & Dowd LLP, 200 S. Wacker Drive, 31<sup>st</sup> Floor, Chicago, IL 60606, (800) 449-4900, [www.rgrdlaw.com](http://www.rgrdlaw.com).

8. Further information regarding this Action, the Settlement, and this Notice may be obtained by contacting the Claims Administrator: c/o \_\_\_\_\_, (\_\_\_\_) \_\_\_\_-\_\_\_\_, www.\_\_\_\_.com; or Lead Counsel.

**Please Do Not Call the Court with Questions About the Settlement.**

**[END OF PSLRA COVER PAGE]**

**BASIC INFORMATION**

**1. Why did I get this Notice?**

9. You or someone in your family may have purchased or acquired shares of the Fund during the period from February 28, 2015 through February 7, 2018, inclusive (the “Class Period”). **Receipt of this Notice does not mean that you are a Member of the Settlement Class or that you will be entitled to receive a payment. If you wish to be eligible for a payment, you are required to submit the Claim Form that is being distributed with this Notice. See Question 8 below.**

10. The Court directed that this Notice be sent to Settlement Class Members because they have a right to know about the proposed partial Settlement of this class action lawsuit, and about all of their options, before the Court decides whether to approve the Settlement.

11. The Court in charge of the Action is the United States District Court for the Northern District of Illinois, and the case is known as *Sokolow v. LJM Funds Management, Ltd. et al.*, Civil No. 1:18-cv-01039. The Action is assigned to the Honorable Robert M. Dow, Jr., United States District Judge.

**2. What is this case about and what has happened so far?**

12. This case arises from the collapse of the Fund in early February 2018. Lead Plaintiffs allege that the Fund was marketed to investors seeking lower risk and moderate growth through a conservative strategy that would preserve capital and avoid the risks of

aggressive hedge funds seeking greater returns. The Fund offered shares to investors pursuant to Registration Statements and Prospectuses. These Offering Materials allegedly promoted the Fund as a low-risk and trend-neutral investment, with allegedly inaccurate statements. Lead Plaintiffs allege the Fund was, instead, overexposed to the risk of volatility and a down market through trading strategies that exposed investors to risks and losses of capital, even in only a moderately down market. The Fund was allegedly overexposed to the risk of volatility through leveraged options that required the Fund to liquidate its capital to pay off its positions when the market declined and volatility increased.

13. As a result, in February 2018, the Fund suffered a dramatic drop in the net asset value (“NAV”) of Fund shares, wiping out 80% of the Fund’s value as markets dropped and volatility spiked. The NAV for the Fund’s shares fell from \$9.67 to \$4.27 on Monday, February 5, and then fell again the next day to \$1.91. On February 9, 2018, defendant LJM informed the Fund’s shareholders that a spike in volatility caused the Fund to liquidate its open positions and suffer massive losses of capital.

14. On February 9, 2018, a securities class action complaint was filed in the U.S. District Court for the Northern District of Illinois, Eastern Division on behalf of investors in the Fund, titled *Sokolow v. LJM Funds Management, Ltd. et al.*, Civil No. 1:18-cv-01039, and was assigned to the Hon. Robert M. Dow, Jr. On June 26, 2018, the Court issued an Order appointing Justin and Jenny Kaufman, Joseph N. Wilson, Dr. Larry and Marilyn Cohen, Tradition, and SRS as lead plaintiffs, and appointing Labaton Sucharow LLP and Robbins Geller Rudman & Dowd as co-lead counsel.

15. The operative complaint in the Action is the Consolidated Complaint for Violations of the Federal Securities Laws, filed on August 16, 2018 (the “Complaint”). The Complaint alleges violations of §§11, 12(a)(2), and 15 of the Securities Act of 1933 (“1933

Act”) on behalf of a class of all purchasers who bought shares of the Fund during the period from February 28, 2015 through February 7, 2018, inclusive, pursuant to Offering Materials set forth in paragraph 51 of the Complaint.

16. Lead Plaintiffs, through Lead Counsel, have conducted a thorough investigation relating to the claims, defenses, and underlying events and transactions that are the subject of the Action. This process has included reviewing and analyzing, among other things: U.S. Securities and Exchange Commission (“SEC”) filings by the Trust; media and analyst reports regarding the Fund, its advisor LJM, and their affiliates; press releases and shareholder communications regarding the Fund, LJM, and their affiliates; and other publicly available information regarding the Trust, the Fund, LJM, and the industry.

17. On September 20, 2018, the parties agreed to pursue a settlement conference and jointly requested a stay of the Action. On October 3, 2018, following a status conference with the parties, Magistrate Judge Sidney I. Schenkier set a settlement conference for December 21, 2018 and set a schedule for the parties to exchange mediation statements. The December 21, 2018 settlement conference involved an extended effort to settle the claims and was preceded by the exchange of mediation statements. Although the settlement conference was unsuccessful, the parties continued to engage in settlement discussions thereafter as the Action proceeded.

18. On February 4, 2019, Defendants filed a Joint Motion to Dismiss the Complaint. In the motion, Defendants raised several grounds for dismissal including that the Offering Materials for the Fund did not contain any false or misleading statements and fully disclosed the risks of investing in the Fund, the Complaint failed to plead loss causation, and that the claims asserted in the Complaint were not timely. Lead Plaintiffs opposed the motion, and on March 4, 2019, the motion was fully briefed. On May 20, 2019, the parties filed a Joint Motion for Stay Pending Settlement Discussions.

19. Following continued, extensive arm's-length negotiations, the Lead Plaintiffs and Northern Lights Distributors, LLC; NorthStar Financial Services Group, LLC; and Two Roads Shared Trust and its trustees and officers reached an agreement in principle to settle the claims in the Action for \$12,850,000, subject to the execution of a customary stipulation and agreement of settlement and related papers. The Stipulation (together with the exhibits hereto) constitutes the final and binding agreement between the Settling Parties.

### **3. Why is this a class action?**

20. In a class action, one or more persons or entities (in this case, Lead Plaintiffs), sue on behalf of people and entities who have similar claims. Together, these people and entities are a "class," and each is a "class member." Class actions allow the adjudication of many individuals' similar claims that might be too small economically to bring as individual actions. One court resolves the issues for all class members at the same time, except for those who exclude themselves, or "opt-out," from the class.

### **4. What are the reasons for the Settlement?**

21. The Court did not finally decide in favor of Lead Plaintiffs or the Settling Defendants. Instead, the Settling Parties agreed to a settlement. Lead Plaintiffs and Lead Counsel believe that the claims asserted in the Action are strong. They recognize, however, the expense and length of continued proceedings needed to pursue the claims through trial and appeals, as well as the difficulties in establishing liability as to the Settling Defendants. For example, the Settling Defendants have raised arguments and defenses (which they would likely continue to raise in motions for summary judgment, and at trial) countering Lead Plaintiffs' allegations, such as that the Settling Defendants acted in good faith and in a manner they reasonably believed to be in accordance with all applicable rules, regulations, and laws. In the absence of a settlement, the Settling Parties would present factual and expert testimony on each

of the issues in dispute, and there is a risk that the Court or jury would resolve these issues unfavorably against Lead Plaintiffs and the Settlement Class. Lead Plaintiffs and Lead Counsel believe that the proposed Settlement is fair, reasonable, and adequate, and in the best interests of the Settlement Class.

22. Settling Defendants have denied and continue to deny each and every one of the claims alleged by Lead Plaintiffs in the Action, including all claims in the Complaint. Nonetheless, Settling Defendants have concluded that continuation of the Action as against them would be protracted and expensive, and have taken into account the uncertainty and risks inherent in any litigation, especially a complex case like this Action, and believe that the Settlement is in the best interests of Settling Defendants.

#### **WHO IS IN THE SETTLEMENT**

##### **5. How do I know if I am part of the Settlement Class?**

23. The Court directed, for the purposes of the proposed Settlement, that everyone who fits the following description is a Settlement Class Member and subject to the Settlement unless they are an excluded person (*see* Question 6 below) or take steps to exclude themselves from the Settlement Class (*see* Question 11 below):

*all persons and entities who purchased shares of the LJM Preservation and Growth Fund during the period from February 28, 2015 through February 7, 2018, inclusive.*

24. The Plan of Allocation that is being proposed by Lead Plaintiffs for approval by the Court is discussed on pages \_\_\_ to \_\_\_ below. Check your investment records or contact your broker to see if you have any eligible purchases or acquisitions.

##### **6. Are there exceptions to being included?**

25. Yes. There are some individuals and entities that are excluded from the Settlement Class by definition. Excluded from the Settlement Class are: (i) Defendants and



their affiliates; (ii) the officers, directors, and/or trustees of LJM Funds Management, Ltd., the Trust, NLD, NorthStar, or the Fund; (iii) members of the immediate families of any such excluded person; (iv) any firm, trust, corporation, or entity in which any Defendant has a controlling interest; and (v) the legal representatives, heirs, successors, and assigns of any excluded person or entity. Also excluded from the Settlement Class is anyone who timely and validly seeks exclusion from the Settlement Class in accordance with the procedures described in Question 11 below.

### **THE SETTLEMENT BENEFITS**

#### **7. What does the Settlement provide?**

26. In exchange for the Settlement and the release of the Released Claims against the Released Defendant Parties (*see* Question 10 below), Settling Defendants have agreed to pay, or cause to be paid, \$12,850,000, which, along with any interest earned, will be distributed at the conclusion of the Action and after deduction of Court-awarded attorneys' fees and litigation expenses, Notice and Administration Expenses, Taxes, and any other fees or expenses approved by the Court (the "Net Settlement Fund"), to Settlement Class Members who send in valid and timely Claim Forms.

#### **8. How can I receive a payment?**

27. To qualify for a payment from the Net Settlement Fund, you must submit a timely and valid Claim Form. A Claim Form is included with this Notice. You may also obtain one from the website for the Action: [www.\\_\\_\\_\\_.com](http://www.____.com), or from Lead Counsels' websites: [www.labaton.com](http://www.labaton.com) and [www.rgrdlaw.com](http://www.rgrdlaw.com). You can also request that a Claim Form be mailed to you by calling the Claims Administrator toll-free at (\_\_\_\_) \_\_\_\_-\_\_\_\_.

28. Please read the instructions in the Claim Form carefully. Fill out the Claim Form, include all the documents the form requests, sign it, and either mail it to the Claims

Administrator using the address listed in the Claim Form or submit it online at [www.\\_\\_\\_\\_.com](http://www.____.com). Claim Forms must be *postmarked (if mailed) or submitted online no later than \_\_\_\_\_, 2019.*

**9. When will I receive my payment?**

29. The Court will hold a Settlement Hearing on \_\_\_\_\_, 2019 to decide, among other things, whether to finally approve the Settlement. Even if the Court approves the Settlement, there may be appeals which can take time to resolve, perhaps more than a year. It also takes a long time for all of the Claim Forms to be accurately reviewed and processed. If you have an eligible claim, you will receive a payment after the Settlement reaches its Effective Date, the Action has concluded, and the Court has awarded attorneys' fees and expenses, and Claim Forms have been processed and evaluated. Please be patient.

**10. What am I giving up to receive a payment and by staying in the Settlement Class?**

30. If you are a Settlement Class Member and do not timely and validly exclude yourself from the Settlement Class, you will remain in the Settlement Class and that means that, upon the "Effective Date" of the Settlement, you will release all "Released Claims" against the "Released Defendant Parties."

(a) **"Released Claims"** means any and all complaints, claims, third-party claims, cross-claims, counterclaims, demands, allegations, liabilities, obligations, promises, agreements, controversies, actions, causes of action, suits, rights, damages, costs, losses, debts, charges, and expenses (including Unknown Claims (as defined below) and attorneys' fees, expert fees, and disbursements of counsel and other professionals) of any and every nature whatsoever, whether in law or in equity, whether arising under federal, state, local, or foreign statutory or common law or any other law, rule, or regulation (whether foreign or domestic), whether currently known or unknown, fixed or contingent, suspected or unsuspected, foreseen or unforeseen, ripened or

unripened, accrued or unaccrued, liquidated or unliquidated, or matured or not matured, whether arising in equity or under the law of contract, tort, malpractice, statutory breach, or any other legal right or duty, whether direct, class, individual, representative, or in any other capacity, and to the fullest extent that the law permits their release in this lawsuit, that Lead Plaintiffs, or any other member of the Settlement Class: (a) asserted in the Action, or (b) could have asserted against any of the Released Defendant Parties in the Action or in any forum that arise out of, relate to, are connected with, or in any way concern (i) the allegations, transactions, facts, matters, occurrences, representations, or omissions involved, set forth, alleged, or referred to in the Action, or relating to actions or inactions with respect to the Fund, and that (ii) arise out of, are based upon, or relate to in any way, the purchase or acquisition of shares of the Fund during the Class Period. Released Claims does not include: (a) claims in any governmental or regulatory agency proceeding or action, including the right of any Settlement Class Member to recover therein; (b) claims asserted in: *David Melcher v. LJM Partners, Ltd., et al.*, 2018 CH 10346 (Cook Cty Circuit Crt, IL), *Donna Lundgren-Wiedinmyer v. LJM Partners, Ltd., et al.*, 2018 CH 10712 (Cook Cty Circuit Crt, IL), *Barney C. Guttman v. LJM Partners, Ltd., et al.*, 2018 CH 12701 (Cook Cty Circuit Crt, IL); *LJM Partners, Ltd. v. John Does*, No. 19-cv-368 (N.D. Ill.); or (c) claims to enforce the Settlement.

(b) **“Released Defendant Parties”** means the Settling Defendants, Settling Defendants’ Counsel, and each of their respective predecessors, successors, parent corporations, sister corporations, past, present, or future subsidiaries, affiliates, principals, assigns, assignors, heirs, legatees, devisees, executors, administrators, estates, heirs, spouses, immediate family members, receivers and trustees, settlors, beneficiaries, officers, directors, shareholders, employees, servants, agents, partners, insurers, reinsurers, representatives, attorneys, legal

representatives, and successors-in-interest of the Settling Defendants. Released Defendant Parties does not include any of the Non-Settling Defendants.

(c) “**Unknown Claims**” means any and all Released Claims that Lead Plaintiffs or any other Settlement Class Member does not know or suspect to exist in his, her, or its favor at the time of the release of the Released Defendant Parties, and any and all Released Defendants’ Claims that any Settling Defendant does not know or suspect to exist in his, her, or its favor at the time of the release of the Released Plaintiff Parties or, with respect to the Cross-Released Claims, any other Settling Defendant, which if known by him, her, or it might have affected his, her, or its decision(s) with respect to the Settlement, including the decision to object to the terms of the Settlement or to exclude himself, herself, or itself from the Settlement Class. With respect to any and all Released Claims and Released Defendants’ Claims, and Cross-Released Claims, the Settling Parties stipulate and agree that, upon the Effective Date, Lead Plaintiffs and Settling Defendants shall expressly, and each other Settlement Class Member shall be deemed to have, and by operation of the Judgment or Alternative Judgment shall have, to the fullest extent permitted by law, expressly waived and relinquished any and all provisions, rights and benefits conferred by any law of any state or territory of the United States or foreign law, or principle of common law, which is similar, comparable, or equivalent to Cal. Civ. Code § 1542, which provides:

**A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release and that, if known by him or her, would have materially affected his or her settlement with the debtor or released party.**

Lead Plaintiffs and other Settlement Class Members, or Settling Defendants may hereafter discover facts, legal theories, or authorities in addition to or different from those which any of them now knows or believes to be true with respect to the subject matter of the Released Claims and the Released Defendants’ Claims, but Lead Plaintiffs and Settling Defendants shall

expressly, fully, finally, and forever settle and release, and each Settlement Class Member shall be deemed to have settled and released, and upon the Effective Date and by operation of the Judgment or Alternative Judgment shall have settled and released, fully, finally, and forever, any and all Released Claims and Released Defendants' Claims as applicable, without regard to the subsequent discovery or existence of such different or additional facts, legal theories, or authorities. Lead Plaintiffs and Settling Defendants acknowledge, and other Settlement Class Members by operation of law shall be deemed to have acknowledged, that the inclusion of "Unknown Claims" in the definition of Released Claims and Released Defendants' Claims was separately bargained for and was a material element of the Settlement.

31. The "Effective Date" will occur when an Order entered by the Court approving the Settlement becomes Final and is not subject to appeal. If you remain a member of the Settlement Class, all of the Court's orders about the Settlement, whether favorable or unfavorable, will apply to you and legally bind you.

32. Upon the "Effective Date," Settling Defendants will also provide a release of any claims against Lead Plaintiffs, the Settlement Class, and the Released Plaintiff Parties arising out of or related to the institution, prosecution, or settlement of the claims in the Action.

#### **EXCLUDING YOURSELF FROM THE SETTLEMENT CLASS**

33. If you want to keep any right you may have to sue or continue to sue Settling Defendants and the other Released Defendant Parties on your own concerning the Released Claims, then you must take steps to remove yourself from the Settlement Class. This is called excluding yourself or "opting out." **Please note:** If you decide to exclude yourself, there is a risk that any lawsuit you may file to pursue claims against the Settling Defendants may be dismissed, including because the suit is not filed within the applicable time periods required for

filing suit. Settling Defendants may also terminate the Settlement if more than a certain number of Settlement Class Members request exclusion.

**11. How do I exclude myself from the Settlement Class?**

34. To exclude yourself from the Settlement Class, you must mail a signed letter stating that you request to be “excluded from the Settlement Class in *Sokolow v. LJM Funds Management, Ltd.*, No. 18-cv-01039 (N.D. Ill.)”. You cannot exclude yourself by telephone or e-mail. Each request for exclusion must also: (i) state the name, address and telephone number of the person or entity requesting exclusion; (ii) state the number of shares of the Fund the person or entity purchased and sold during the Class Period, as well as the dates and prices of each such purchase and sale; and (iii) be signed by the Person requesting exclusion or an authorized representative. A request for exclusion must be submitted so that it is ***received no later than \_\_\_\_\_, 2019*** to:

*Sokolow v. LJM Funds Management*  
Claims Administrator  
c/o \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

35. This information is needed to determine whether you are a member of the Settlement Class. Your exclusion request must comply with these requirements in order to be valid. **If you do not provide your transactional information, you will not be excluded from the Settlement Class.** If you ask to be excluded, do not submit a Claim Form because you cannot receive any payment from the Net Settlement Fund. Also, you cannot object to the Settlement because you will not be a Settlement Class Member. However, if you submit a valid exclusion request, you will not be legally bound by the Settlement, and you may be able to sue (or continue to sue) the Settling Defendants and the other Released Defendant Parties in the future.

**12. If I do not exclude myself, can I sue the Settling Defendants and the other Released Defendant Parties for the same thing later?**

36. No. Unless you properly exclude yourself, you will give up any rights to sue Settling Defendants and the other Released Defendant Parties for any and all Released Claims. If you have a pending lawsuit against any of the Released Defendant Parties, **speak to your lawyer in that case immediately**. You must exclude yourself from the Settlement Class to continue your own lawsuit. Remember, the exclusion deadline is \_\_\_\_\_, **2019**.

**13. If I exclude myself, can I get money from the proposed Settlement?**

37. No, only Settlement Class Members are eligible to recover money from the Settlement.

**THE LAWYERS REPRESENTING YOU**

**14. Do I have a lawyer in this case?**

38. Labaton Sucharow LLP and Robbins Geller Rudman & Dowd LLP are Lead Counsel in the Action and represent all Settlement Class Members. You will not be separately charged for these lawyers. The Court will determine the amount of attorneys' fees and expenses, which will be paid from the Settlement Fund. If you want to be represented by your own lawyer, you may hire one at your own expense.

**15. How will the lawyers be paid?**

39. Lead Counsel have been prosecuting the Action on a contingent basis and have not been paid for any of their work. Lead Counsel will apply to the Court for an award of attorneys' fees of no more than 28% of the Settlement Fund, which will include any accrued interest. Lead Counsel will also seek payment of litigation expenses incurred in the prosecution of the Action of no more than \$100,000, plus accrued interest, which may include an application for awards to the Lead Plaintiffs in accordance with the PSLRA in connection with their

representation of the Settlement Class. Any attorneys' fees and expenses awarded by the Court will be paid from the Settlement Fund. Settlement Class Members are not personally liable for any such fees or expenses.

**OBJECTING TO THE SETTLEMENT, THE PLAN OF ALLOCATION, AND THE FEE AND EXPENSE APPLICATION**

**16. How do I tell the Court that I do not like something about the proposed Settlement?**

40. If you are a Settlement Class Member, you can object to the Settlement or any of its terms, the Fee and Expense Application, and/or the proposed Plan of Allocation of the Net Settlement Fund. You may write to the Court about why you think the Court should not approve any or all of the Settlement terms or related relief. If you would like the Court to consider your views, you must file a proper objection within the deadline, and according to the following procedures.

41. To object, you must send a signed letter stating that you object to the proposed Settlement, the Fee and Expense Application, and/or the Plan of Allocation in "*Sokolow v. LJM Funds Management, Ltd.*, No. 18-cv-01039 (N.D. Ill.)" Your objection must state why you are objecting and whether your objection applies only to you, a subset of the Settlement Class, or the entire Settlement Class. The objection must also state: (i) the name, address, and telephone number of the objector and must be signed by the objector; (ii) contain a statement of the Settlement Class Member's objection or objections and the specific reasons for each objection, including any legal and evidentiary support (including witnesses) the Settlement Class Member wishes to bring to the Court's attention; and (iii) include information sufficient to prove the objector's membership in the Settlement Class, including the number of shares of the Fund purchased and sold during the Class Period, as well as the dates and prices of each such purchase and sale. Unless otherwise ordered by the Court, any Settlement Class Member who does not object in the manner described in this Notice will be deemed to have waived any



objection and will be forever foreclosed from making any objection to the proposed Settlement and/or the Plan of Allocation. Your objection must be filed with the Court *no later than* \_\_\_\_\_, **2019 and** be mailed or delivered to the following counsel so that it is *received no later than* \_\_\_\_\_, **2019:**

<u><b>Court</b></u>	<u><b>Lead Counsel</b></u>	<u><b>Defendants' Counsel Representative</b></u>
<b>Clerk of the Court</b> United States District Court Northern District of Illinois 219 S. Dearborn Chicago, IL 60604	<b>Labaton Sucharow LLP</b> James W. Johnson, Esq. 140 Broadway New York, NY 10005	<b>Sidley Austin LLP</b> Amy C. Andrews, Esq. One South Dearborn Chicago, IL 60603
	<b>Robbins Geller Rudman &amp; Dowd LLP</b> James E. Barz, Esq. 200 South Wacker Drive Chicago, IL 60606	

42. You do not need to attend the Settlement Hearing to have your written objection considered by the Court. However, any Settlement Class Member who has complied with the procedures described in this Question 16 and below in Question 20 may appear at the Settlement Hearing and be heard, to the extent allowed by the Court. An objector may appear in person or arrange, at his, her, or its own expense, for a lawyer to represent him, her, or it at the Settlement Hearing.

<b>17. What is the difference between objecting and seeking exclusion?</b>
--

43. Objecting is telling the Court that you do not like something about the proposed Settlement, the Fee and Expense Application, or the Plan of Allocation. You can still recover money from the Settlement. You can object *only* if you stay in the Settlement Class. Excluding yourself is telling the Court that you do not want to be part of the Settlement Class. If you exclude yourself from the Settlement Class, you have no basis to object because the Settlement no longer affects you.

### THE SETTLEMENT HEARING

**18. When and where will the Court decide whether to approve the proposed Settlement?**

44. The Court will hold the Settlement Hearing on \_\_\_\_\_, 2019 at \_\_\_\_\_.m., in Courtroom 1903 of the United States District Court for the Northern District of Illinois, Everett McKinley Dirksen United States Courthouse, 219 S. Dearborn, Chicago, Illinois 60604.

45. At this hearing, the Court will consider whether: (i) the Settlement is fair, reasonable, adequate, and should be approved; (ii) the Plan of Allocation is fair and reasonable, and should be approved; and (iii) the application of Lead Counsel for an award of attorneys' fees and payment of litigation expenses is reasonable and should be approved. The Court will take into consideration any written objections filed in accordance with the instructions in Question 16 above. We do not know how long it will take the Court to make these decisions.

46. You should be aware that the Court may change the date and time of the Settlement Hearing without another notice being sent to Settlement Class Members. If you want to attend the hearing, you should check with Lead Counsel or visit the websites [www.\\_\\_\\_\\_.com](http://www.____.com), [www.rgrdlaw.com](http://www.rgrdlaw.com), or [www.labaton.com](http://www.labaton.com), beforehand to be sure that the hearing date and/or time has not changed.

**19. Do I have to come to the Settlement Hearing?**

47. No. Lead Counsel will answer any questions the Court may have. But, you are welcome to attend at your own expense. If you submit a valid and timely objection, the Court will consider it and you do not have to come to Court to discuss it. You may have your own lawyer attend (at your own expense), but it is not required. If you do hire your own lawyer, he or she must file and serve a Notice of Appearance in the manner described in the answer to Question 20 below *no later than* \_\_\_\_\_, 2019.

**20. May I speak at the Settlement Hearing?**

48. You may ask the Court for permission to speak at the Settlement Hearing. To do so, you must, *no later than* \_\_\_\_\_, **2019**, submit a statement that you, or your attorney, intend to appear in “*Sokolow v. LJM Funds Management, Ltd.*, No. 18-cv-01039 (N.D. Ill.)” Persons who intend to present evidence at the Settlement Hearing must also include in their objections (prepared and submitted in accordance with the answer to Question 16 above) the identities of any witnesses they may wish to call to testify and any exhibits they intend to introduce into evidence at the Settlement Hearing. You may not speak at the Settlement Hearing if you exclude yourself from the Settlement Class or if you have not provided written notice of your intention to speak at the Settlement Hearing in accordance with the procedures described in this Question 20 and Question 16 above.

**IF YOU DO NOTHING****21. What happens if I do nothing at all?**

49. If you do nothing and you are a member of the Settlement Class, you will receive no money from this Settlement and you will be precluded from starting a lawsuit, continuing with a lawsuit, or being part of any other lawsuit against Settling Defendants and the other Released Defendant Parties concerning the Released Claims. To share in the Net Settlement Fund, you must submit a Claim Form (*see* Question 8 above). To start, continue, or be a part of any other lawsuit against Settling Defendants and the other Released Defendant Parties concerning the Released Claims, you must exclude yourself from the Settlement Class (*see* Question 11 above).

## GETTING MORE INFORMATION

### 22. Are there more details about the Settlement?

50. This Notice summarizes the proposed Settlement. More details are contained in the Stipulation. You may review the Stipulation filed with the Court or other documents in the case during business hours at the Office of the Clerk of the United States District Court, Northern District of Illinois, 219 S. Dearborn, Chicago, IL 60604. Subscribers to PACER, a fee-based service, can also view the papers filed publicly in the Action through the Court's on-line Case Management/Electronic Case Files System at <https://www.pacer.gov>.

51. You can also get a copy of the Stipulation, and other documents related to the Settlement, as well as additional information about the Settlement by visiting the Claims Administrator website, [www.\\_\\_\\_\\_.com](http://www.____.com), or the websites of Lead Counsel, [www.labaton.com](http://www.labaton.com) and [rgrdlaw.com](http://rgrdlaw.com). You may also call the Claims Administrator toll free at (\_\_\_\_) \_\_\_\_ - \_\_\_\_ or write to the Claims Administrator at *Sokolow v. LJM Funds Management*, Claims Administrator, c/o \_\_\_\_\_, \_\_\_\_\_. **Please do not call the Court with questions about the Settlement.**

## PLAN OF ALLOCATION OF THE NET SETTLEMENT FUND

### 23. How will my claim be calculated?

52. The Plan of Allocation (the "Plan of Allocation" or "Plan") set forth below is the plan that is being proposed by Lead Plaintiffs and Lead Counsel to the Court for approval. The Court may approve this Plan of Allocation or modify it without additional notice to the Settlement Class. Any order modifying the Plan will be posted on the Claims Administrator website at: [www.\\_\\_\\_\\_.com](http://www.____.com) and at [www.labaton.com](http://www.labaton.com) and [www.rgrdlaw.com](http://www.rgrdlaw.com).

53. The Settlement Amount and the interest it earns is the "Settlement Fund." The Settlement Fund, after deduction of Court-approved attorneys' fees and expenses, Notice and

Administration Expenses, Taxes, and any other fees or expenses approved by the Court is the “Net Settlement Fund.” The Net Settlement Fund will be distributed at the conclusion of the Action to members of the Settlement Class who timely submit valid Claim Forms that show a Recognized Claim according to the Plan of Allocation approved by the Court.

54. The objective of this Plan of Allocation is to equitably distribute the Net Settlement Fund among Authorized Claimants who suffered economic losses allegedly as a result of the asserted violations of the federal securities laws during the Class Period (February 28, 2015 through February 7, 2018, inclusive). In this case, Lead Plaintiffs allege that the Fund’s Registration Statements and Prospectuses contained false statements and omitted material facts that damaged members of the Settlement Class. This Plan is intended to be generally consistent with an assessment of, among other things, the damages that Lead Plaintiffs and Lead Counsel believe were recoverable in the Action pursuant to the 1933 Act.

55. The Plan of Allocation, however, is not a formal damages analysis, and the calculations made pursuant to the Plan are not intended to be estimates of, nor indicative of, the amounts that Settlement Class Members might have been able to recover after a trial. The computations under the Plan of Allocation are only a method to weigh the claims of Authorized Claimants against one another for the purposes of making *pro rata* allocations of the Net Settlement Fund. An individual Settlement Class Member’s recovery will depend on, for example: (a) the total number and value of claims submitted; (b) when the claimant purchased or acquired shares of the Fund; and (c) whether and when the claimant sold his, her, or its shares of the Fund.

56. Because the Net Settlement Fund is likely less than the total losses alleged to be suffered by Settlement Class Members, the formulas described below for calculating Recognized Losses are not intended to estimate the amount that will actually be paid to

Authorized Claimants. Rather, these formulas provide the basis on which the Net Settlement Fund will be distributed among Authorized Claimants on a *pro rata* basis. An Authorized Claimant's "Recognized Claim" shall be the amount used to calculate the Authorized Claimant's *pro rata* share of the Net Settlement Fund. The *pro rata* share shall be the Authorized Claimant's Recognized Claim divided by the total of the Recognized Claims of all Authorized Claimants, multiplied by the total amount in the Net Settlement Fund.

57. Settling Defendants, their respective counsel, and all other Released Defendant Parties will have no responsibility or liability for the investment of the Settlement Fund, the distribution of the Net Settlement Fund, the Plan of Allocation or the payment of any claim. Lead Plaintiffs, Lead Counsel, and anyone acting on their behalf, likewise will have no liability for their reasonable efforts to execute, administer, and distribute the Settlement.

#### **CALCULATION OF RECOGNIZED LOSS AMOUNTS**

58. For purposes of determining whether a claimant has a Recognized Claim, purchases and sales of shares of the LJM Preservation and Growth Fund (LJMAX, LJMCX, or LJMIX) will first be matched on a First In/First Out ("FIFO") basis. If a Settlement Class Member has more than one purchase or sale of the Fund during the Class Period, all purchases and sales shall be matched on a FIFO basis. Class Period sales will be matched first against any holdings at the beginning of the Class Period and then against purchases in chronological order, beginning with the earliest purchase made during the Class Period. For purposes of this Plan, "sales price" refers to the proceeds received, if any, upon the redemption of each share.

59. The Claims Administrator will calculate a "Recognized Loss Amount," as set forth below, for each purchase of shares of the Fund during the Class Period from February 28, 2015 through February 7, 2018 that is listed in the Claim Form and for which adequate

documentation is provided. To the extent that the calculation of a Claimant's Recognized Loss Amount results in a negative number, that number shall be set to zero.

60. The sum of a claimant's Recognized Loss Amounts will be the claimant's "Recognized Claim."

61. **For each share of the Fund purchased on or between February 28, 2015 through February 7, 2018 and:**

- (a) Sold prior to February 8, 2018, the Recognized Loss per share is the purchase price per share less the sales price per share.
- (b) Retained at the end of the day on February 7, 2018, the Recognized Loss per share is either:
  - (i) For shares sold before March 28, 2018 (the date the Fund was dissolved), the purchase price per share less the sales price per share; or
  - (ii) For shares held on March 28, 2018, the lesser of (a) the purchase price per share less the proceeds per share received, if any, upon redemption of shares purchased and (b) the pro-rata per share distribution of the Fund's remaining assets received.

#### **ADDITIONAL PROVISIONS**

62. Purchases and sales of shares of the Fund shall be deemed to have occurred on the "contract" or "trade" date as opposed to the "settlement" or "payment" date. The receipt or grant by gift, inheritance or operation of law of shares during the Class Period shall not be deemed a purchase of such shares for the calculation of an Authorized Claimant's Recognized Claim, nor shall the receipt or grant be deemed an assignment of any claim relating to the purchase of such shares unless (i) the donor or decedent purchased or otherwise acquired such shares during the Class Period; (ii) no Claim Form was submitted by or on behalf of the donor, on behalf of the decedent, or by anyone else with respect to such shares; and (iii) it is specifically so provided in the instrument of gift or assignment.

63. The Net Settlement Fund will be allocated among all Authorized Claimants whose prorated payment is \$10.00 or greater. If the prorated payment to any Authorized Claimant calculates to less than \$10.00, it will not be included in the calculation and a distribution will not be made to that Authorized Claimant.

64. Payment according to this Plan of Allocation will be deemed conclusive against all Authorized Claimants. Recognized Claims will be calculated as defined herein by the Claims Administrator and cannot be less than zero. Please contact the Claims Administrator or Lead Counsel if you disagree with any determinations made by the Claims Administrator regarding your Proof of Claim. If you are dissatisfied with the determination of your claim, you may ask the Court, which retains jurisdiction over all Settlement Class Members and the claims administration process, to decide the issue by submitting a written request to the Claims Administrator.

65. Distributions will be made to eligible Authorized Claimants after all claims have been processed, after the Court has finally approved the Settlement, after the Court has awarded attorneys' fees and expenses to Lead Counsel in connection with the Settlement, and at the conclusion of the Action. If there is any balance remaining in the Net Settlement Fund (whether by reason of tax refunds, uncashed checks or otherwise) after at least six (6) months from the date of initial distribution of the Net Settlement Fund, the Claims Administrator shall, if feasible and economical after payment of Notice and Administration Expenses, Taxes, and attorneys' fees and expenses, if any, redistribute such balance among Authorized Claimants who have cashed their initial checks in an equitable and economic fashion. These redistributions will be repeated until the balance remaining in the Net Settlement Fund is no longer feasible or economical to reallocate. After payment of outstanding Notice and Administration Expenses, Taxes, and attorneys' fees and expenses, if any, the remaining balance shall be contributed to a



non-sectarian, not-for-profit charitable organization(s) serving the public interest, designated by Lead Plaintiffs and approved by the Court.

66. Payment pursuant to the Plan of Allocation or such other plan as may be approved by the Court shall be conclusive against all Authorized Claimants. No person shall have any claim against Lead Plaintiffs, Lead Counsel, the Claims Administrator, or other agent designated by Lead Counsel, arising from determinations or distributions to claimants made substantially in accordance with the Stipulation, the Plan of Allocation approved by the Court, or further orders of the Court. Lead Plaintiffs, Settling Defendants, their respective counsel, and all other Released Parties shall have no responsibility for or liability whatsoever for the investment or distribution of the Settlement Fund, the Net Settlement Fund, the Plan of Allocation or the determination, administration, calculation, or payment of any Claim Form or non-performance of the Claims Administrator, the payment or withholding of taxes owed by the Settlement Fund or any losses incurred in connection therewith.

67. Each claimant is deemed to have submitted to the jurisdiction of the United States District Court for the Northern District of Illinois with respect to his, her, or its claim.

**SPECIAL NOTICE TO SECURITIES BROKERS AND NOMINEES**

68. If you purchased shares of the LJM Preservation and Growth Fund (CUSIPs: LJMAX: 90213U503, LJMIX: 90213U701, LJMCMX: 90213U602) during the Class Period for the beneficial interest of a person or entity other than yourself, the Court has directed that **WITHIN TEN (10) CALENDAR DAYS OF YOUR RECEIPT OF THIS NOTICE, YOU MUST EITHER:** (a) provide to the Claims Administrator the name and last known address of each person or entity for whom or which you purchased shares of the Fund during the Class Period; or (b) request additional copies of this Notice and the Claim Form from the Claims Administrator, which will be provided to you free of charge, and **WITHIN TEN (10)**

**CALENDAR DAYS** of receipt, mail the Notice and Claim Form directly to all the beneficial owners of those securities. You must also provide email addresses of such beneficial owners to the Claims Administrator, to the extent available. If you choose to follow procedure (b), the Court has also directed that, upon making that mailing, **YOU MUST SEND A STATEMENT** to the Claims Administrator confirming that the mailing was made as directed and keep a record of the names and mailing addresses used. You are entitled to reimbursement from the Settlement Fund of your reasonable expenses actually incurred in connection with the foregoing, assuming the expenses would not have been incurred except for the sending of such Notice. Expenses will be paid upon request and submission of appropriate supporting documentation and timely compliance with the above directives. All communications concerning the foregoing should be addressed to the Claims Administrator:

*Sokolow v. LJM Funds Management*  
Claims Administrator  
c/o \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
www.\_\_\_\_.com  
(\_\_\_\_) \_\_\_\_\_ - \_\_\_\_\_

Dated: \_\_\_\_\_, 2019

BY ORDER OF THE UNITED STATES  
DISTRICT COURT  
NORTHERN DISTRICT OF ILLINOIS

# **Exhibit A-2**

UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF ILLINOIS  
EASTERN DIVISION

LEONARD SOKOLOW, Individually and on	)	Case No. 1:18-cv-01039
Behalf of All Others Similarly Situated,	)	
	)	Hon. Judge Robert M. Dow, Jr.
Plaintiff,	)	
	)	
vs.	)	
	)	
LJM FUNDS MANAGEMENT, LTD., et al.,	)	
	)	
Defendants.	)	
	)	
_____	)	

**PROOF OF CLAIM AND RELEASE**

**A. GENERAL INSTRUCTIONS**

1. To recover as a member of the Settlement Class based on your claims against Two Roads Shared Trust, Northern Lights Distributors, LLC, NorthStar Financial Services Group, LLC, Mark D. Gersten, Mark Garbin, Neil M. Kaufman, Anita K. Krug, Andrew B. Rogers, and James Colantino (collectively, the “Settling Defendants”) in the partial settlement of the above-captioned class action (the “Action”), you must complete and, on page \_\_\_\_ below, sign this Proof of Claim and Release form (“Claim Form”). If you fail to submit a timely and properly addressed Claim Form, your claim may be rejected and you may not receive any recovery from the Net Settlement Fund created in connection with the proposed Settlement.

2. Submission of this Claim Form, however, does not assure that you will share in the proceeds of the settlement of the Action.

3. **THIS CLAIM FORM MUST BE SUBMITTED ONLINE AT WWW.\_\_\_\_ NO LATER THAN \_\_\_\_\_, 2019 OR, IF MAILED, BE POSTMARKED NO LATER THAN \_\_\_\_\_, 2019, ADDRESSED AS FOLLOWS:**

*Sokolow v. LJM Funds Management*  
Claims Administrator  
c/o \_\_\_\_\_

\_\_\_\_\_  
www.\_\_\_\_.com

4. If you are a member of the Settlement Class and you do not timely request exclusion in response to the Notice dated \_\_\_\_\_, 2019, you will be bound by the terms of the Settlement, including the releases provided therein, WHETHER OR NOT YOU SUBMIT A CLAIM FORM OR RECEIVE A PAYMENT.

5. Payments will not be made until the Settlement is approved by the Court, the Court has ruled on Lead Counsel's application for attorneys' fees and expenses, and the Action has been fully resolved.

## **B. CLAIMANT IDENTIFICATION**

1. If you purchased shares of the LJM Preservation and Growth Fund (LJMAX, LJMCX, or LJMIX) (the "Fund") during the period from February 28, 2015 through February 7, 2018, inclusive (the "Class Period") and held the shares in your name, you are the beneficial purchaser as well as the record purchaser. If, however, you purchased or otherwise acquired shares of the Fund during the Class Period through a third party, such as a brokerage firm, you are the beneficial purchaser and the third party is the record purchaser.

2. Use Part I of this form entitled "Claimant Identification" to identify each beneficial purchaser or acquirer of shares of the Fund that form the basis of this claim, as well as the purchaser or acquirer of record if different. THIS CLAIM MUST BE FILED BY THE ACTUAL BENEFICIAL PURCHASER(S) OR THE LEGAL REPRESENTATIVE OF SUCH PURCHASER(S).

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

## **C. IDENTIFICATION OF TRANSACTIONS**

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

2. On the schedules, provide all of the requested information, regardless of whether such purchases or sales resulted in a profit or a loss. Failure to report all such transactions may result in the rejection of your claim. "Sales price" refers to the proceeds received, if any, upon the redemption of each share.

3. Copies of broker confirmations or other documentation of your transactions in the Fund should be attached to your claim. Failure to provide this documentation could delay verification of your claim or result in rejection of your claim. The Claims Administrator does not have information about your transactions in the Fund.

4. NOTICE REGARDING ELECTRONIC FILES: Certain claimants with large numbers of transactions may request, or may be requested, to submit information regarding their transactions in electronic files. All claimants MUST submit a manually signed paper Claim Form whether or not they also submit electronic copies. If you wish to file your claim electronically, you must contact the Claims Administrator at ( ) - - to obtain the required file layout. No electronic files will be considered to have been properly submitted unless the Claims Administrator issues to the claimant a written acknowledgment of receipt and acceptance of electronically submitted data.

**PART I – CLAIMANT INFORMATION**

The Claims Administrator will use this information for all communications regarding this Claim Form. If this information changes, you MUST notify the Claims Administrator in writing at the address above. Complete names of all persons and entities must be provided.

Beneficial Owner’s First Name   MI Beneficial Owner’s Last Name

Co-Beneficial Owner’s First Name   MI Co-Beneficial Owner’s Last Name

Entity Name (if claimant is not an individual)

Representative or Custodian Name (if different from Beneficial Owner(s) listed above)

Address1 (street name and number)

Address2 (apartment, unit, or box number)

City  State  ZIP/Postal Code

Foreign Country (only if not USA)

Social Security Number  -  -  OR Taxpayer Identification Number  -

Telephone Number (home)  -  -  Telephone Number (work)  -  -

Email address

Account Number (if filing for multiple accounts, file a separate Proof of Claim for each account)



through and including the end of the day on March 28, 2018. (Must be documented.)					○
Date of Sale (List Chronologically) (Month/Day/Year)	TICKER	Number of Shares Sold	Price Per Share	Proceeds Per Share Received (excluding taxes, commissions, and fees)	Confirm Proof of Sale Enclosed
/ /			\$	\$	○
/ /			\$	\$	○
/ /			\$	\$	○
/ /			\$	\$	○
<b>6. HOLDINGS AS OF MARCH 28, 2018</b> – State the total number of shares of the Fund held as of the opening of trading on March 28, 2018. (Must be documented.) If none, write “zero” or “0.” _____					Confirm Proof of Position Enclosed ○
<b>7. DISTRIBUTION OF FUND’S REMAINING ASSETS</b> - State the total value of sums received from the distribution of the Fund’s remaining assets on or after March 28, 2018. (Must be documented.) If none, write “zero” or “0.” _____					Confirm Proof Enclosed ○
<b>IF YOU NEED ADDITIONAL SPACE TO LIST YOUR TRANSACTIONS, PLEASE PHOTOCOPY THIS PAGE, WRITE YOUR NAME, AND CHECK THIS BOX:</b> <input type="checkbox"/>					

**PART III – SUBMISSION TO JURISDICTION OF COURT AND  
ACKNOWLEDGMENTS**

**YOU MUST READ AND SIGN THE RELEASE BELOW. FAILURE TO SIGN MAY  
RESULT IN A DELAY IN PROCESSING OR THE REJECTION OF YOUR CLAIM.**

1. I (We) submit this Proof of Claim and Release under the terms of the Stipulation and Agreement of Partial Settlement, dated \_\_\_\_\_ (the “Stipulation”) described in the Notice. I (We) also submit to the jurisdiction of the United States District Court for the Northern District of Illinois, with respect to my (our) claim as a Settlement Class Member and for purposes of enforcing the release set forth herein. I (We) further acknowledge that I am (we are) bound by and subject to the terms of any judgment that may be entered in the Action. I (We) agree to furnish additional information to the Claims Administrator to support this claim (including transactions in other securities) if requested to do so. I (We) have not submitted any other claim in the Action covering the same purchases or sales of shares of the Fund during the



Class Period and know of no other person having done so on my (our) behalf.

2. I (We) hereby acknowledge full and complete satisfaction of, and do hereby fully, finally, and forever settle, release, and discharge from the Released Claims each and all of the Released Defendant Parties, both as defined in the accompanying Notice. This release shall be of no force or effect unless and until the Court approves the Settlement and the Settlement becomes effective on the Effective Date (as defined in the Stipulation).

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

4. I (We) hereby warrant and represent that I (we) have included the information requested about all of my (our) transactions in the Fund that are the subject of this claim, as well as the opening and closing positions in such securities held by me (us) on the dates requested in this Claim Form.

5. I (We) certify that I am (we are) not subject to backup withholding under the provisions of Section 3406(a)(1)(C) of the Internal Revenue Code. (Note: If you have been notified by the Internal Revenue Service that you are subject to backup withholding, please strike out the prior sentence.)

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

Executed this \_\_\_\_\_ day of \_\_\_\_\_, in \_\_\_\_\_, \_\_\_\_\_.  
(Month / Year) (City) (State/Country)

\_\_\_\_\_  
Signature of Claimant

\_\_\_\_\_  
Signature of Joint Claimant, if any

\_\_\_\_\_  
Print Name of Claimant

\_\_\_\_\_  
Print Name of Joint Claimant, if any

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

ACCURATE CLAIMS PROCESSING TAKES A SIGNIFICANT AMOUNT OF TIME.  
PAYMENTS WILL NOT BE MADE UNTIL THE ACTION IS RESOLVED.  
THANK YOU FOR YOUR PATIENCE.

Reminder Checklist:

1. Please sign the above release and acknowledgement.
2. If this claim is being made on behalf of Joint Claimants, then both must sign.
3. Remember to attach copies of supporting documentation, if available.
4. **Do not send** originals of certificates.
5. Keep a copy of your Claim Form and all supporting documentation for your records.
6. If you desire an acknowledgment of receipt of your Claim Form, please send it Certified Mail, Return Receipt Requested.
7. If you move, please send your new address to:  
*Sokolow v. LJM Funds Management*  
Claims Administrator  
c/o \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
www.\_\_\_\_\_  
(\_\_\_\_) \_\_\_\_-\_\_\_\_
8. **Do not use red pen or highlighter** on the Claim Form or supporting documentation.

# **Exhibit A-3**

UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF ILLINOIS  
EASTERN DIVISION

LEONARD SOKOLOW, Individually and on	)	Case No. 1:18-cv-01039
Behalf of All Others Similarly Situated,	)	
	)	Hon. Judge Robert M. Dow, Jr.
Plaintiff,	)	
	)	
vs.	)	
	)	
LJM FUNDS MANAGEMENT, LTD., et al.,	)	
	)	
Defendants.	)	
	)	
	)	

---

**SUMMARY NOTICE OF PENDENCY OF CLASS ACTION,  
PROPOSED PARTIAL CLASS ACTION SETTLEMENT, AND MOTION FOR  
ATTORNEYS' FEES AND EXPENSES**

**To: All persons and entities who purchased shares of the LJM Preservation and Growth Fund (LJMAX, LJMCX, or LJMIX) (the “Fund”) during the period from February 28, 2015 through February 7, 2018, inclusive (the “Settlement Class”).**

YOU ARE HEREBY NOTIFIED, pursuant to Rule 23 of the Federal Rules of Civil Procedure and an Order of the United States District Court for the Northern District of Illinois, that Court-appointed Lead Plaintiffs, on behalf of themselves and all members of the proposed Settlement Class, and Two Roads Shared Trust, Northern Lights Distributors, LLC, NorthStar Financial Services Group, LLC, Mark D. Gersten, Mark Garbin, Neil M. Kaufman, Anita K. Krug, Andrew B. Rogers, and James Colantino (collectively, the “Settling Defendants”), have reached a proposed settlement of the claims against the Settling Defendants in the above-captioned action (the “Action”) in the amount of \$12,850,000 (the “Settlement”). Claims against the remaining defendants are continuing to be litigated.

A hearing will be held before the Honorable Robert M. Dow, Jr. of the United District Court for the Northern District of Illinois, Everett McKinley Dirksen United States Courthouse, 219 S. Dearborn, Chicago, Illinois 60604, in Courtroom 1903 at \_\_:\_\_ \_\_.m. on \_\_\_\_\_, 2019 (the “Settlement Hearing”) to, among other things, determine whether the Court should: (i) approve the proposed Settlement as fair, reasonable, and adequate; (ii) dismiss the claims against the Settling Defendants with prejudice as provided in the Stipulation and Agreement of Settlement, dated \_\_\_\_\_, 2019; (iii) approve the proposed Plan of Allocation for distribution of the Net Settlement Fund; and (iv) approve Lead Counsel’s Fee and Expense Application. The Court may change the date of the Settlement Hearing without providing another notice. You do NOT need to attend the Settlement Hearing to receive a distribution from the Net Settlement Fund.

**IF YOU ARE A MEMBER OF THE SETTLEMENT CLASS, YOUR RIGHTS WILL BE AFFECTED BY THE PROPOSED SETTLEMENT AND YOU MAY BE ENTITLED TO A MONETARY PAYMENT.** If you have not yet received a Notice of Pendency of Class Action and Proposed Partial Class Action Settlement with Certain Defendants (“Notice”) and Proof of Claim and Release form (“Claim Form”), you may obtain copies of these documents by visiting the website dedicated to the Settlement, [www.\\_\\_\\_\\_\\_.com](http://www._____.com), or by contacting the Claims Administrator at:

*Sokolow v. LJM Funds Management*  
Claims Administrator  
c/o \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
[www.\\_\\_\\_\\_\\_.com](http://www._____.com)  
(\_\_\_\_) \_\_\_\_\_ - \_\_\_\_\_

Inquiries, other than requests for the Notice/Claim Form or for information about the status of a claim, may also be made to Lead Counsel:

James W. Johnson, Esq.  
**LABATON SUCHAROW LLP**  
140 Broadway  
New York, NY 10005  
www.labaton.com  
settlementquestions@labaton.com  
(888) 219-6877

James E. Barz, Esq.  
**Robbins Geller Rudman & Dowd LLP**  
200 South Wacker Drive  
Chicago, IL 60606  
www.rgrdlaw.com  
(800) 449-4900

If you are a Settlement Class Member, to be eligible to share in the distribution of the Net Settlement Fund, you must submit a Claim Form *postmarked or submitted online no later than* \_\_\_\_\_, **2019**. If you are a Settlement Class Member and do not timely submit a valid Claim Form, you will not be eligible to share in the distribution of the Net Settlement Fund, but you will nevertheless be bound by all judgments or orders entered by the Court relating to the Settlement, whether favorable or unfavorable.

If you are a Settlement Class Member and wish to exclude yourself from the Settlement Class, you must submit a written request for exclusion in accordance with the instructions set forth in the Notice such that it is *received no later than* \_\_\_\_\_, **2019**. If you properly exclude yourself from the Settlement Class, you will not be bound by any judgments or orders entered by the Court relating to the Settlement, whether favorable or unfavorable, and you will not be eligible to share in the distribution of the Net Settlement Fund.

Any objections to the proposed Settlement, the Fee and Expense Application, and/or the proposed Plan of Allocation must be filed with the Court and mailed to counsel for the Settling Parties in accordance with the instructions in the Notice, such that they are *filed and received no later than* \_\_\_\_\_, **2019**.

**PLEASE DO NOT CONTACT THE COURT, DEFENDANTS, OR  
DEFENDANTS' COUNSEL REGARDING THIS NOTICE.**

DATED: \_\_\_\_\_, 2019

BY ORDER OF THE COURT  
UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF ILLINOIS

# **Exhibit B**



UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF ILLINOIS  
EASTERN DIVISION

LEONARD SOKOLOW, Individually and on	)	Case No. 1:18-cv-01039
Behalf of All Others Similarly Situated,	)	
	)	Hon. Judge Robert M. Dow, Jr.
Plaintiff,	)	
	)	
vs.	)	
	)	
LJM FUNDS MANAGEMENT, LTD., et al.,	)	
	)	
Defendants.	)	
	)	
_____	)	

**[PROPOSED] FINAL ORDER AND JUDGMENT AS TO SETTLING DEFENDANTS**

This matter came before the Court pursuant to the Order Granting Preliminary Approval of Partial Settlement, Approving Form and Manner of Notice, and Setting Date for Hearing on Final Approval of Partial Settlement (“Preliminary Approval Order”), entered \_\_\_\_\_, 2019, on the application of the settling parties for approval of the settlement set forth in the Stipulation and Agreement of Partial Settlement, dated \_\_\_\_\_, 2019, (the “Stipulation”), pursuant to Rule 23(e) of the Federal Rules of Civil Procedure. Due and adequate notice having been given to the Settlement Class (defined below) as required in the Preliminary Approval Order, and the Court having considered all papers filed and proceedings had herein and otherwise being fully informed of the pending matters and good cause appearing therefore, IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that:

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

2. This Court has jurisdiction over the subject matter of the Action and over all Settling Parties in the Action, including all Members of the Settlement Class.

3. The Court hereby affirms its determinations in the Preliminary Approval Order and finally certifies, for purposes of the Settlement only, pursuant to Rules 23(a) and (b)(3) of the Federal Rules of Civil Procedure, the Settlement Class of: all persons and entities who purchased or otherwise acquired shares of the LJM Preservation and Growth Fund during the period from February 28, 2015 through February 7, 2018, inclusive, (the “Class Period”). Excluded from the Settlement Class are: (i) Defendants and their affiliates; (ii) the officers, directors, and/or trustees of LJM Funds Management, Ltd., Two Roads Shared Trust, Northern Lights Distributors, LLC, NorthStar Financial Services Group, LLC, or the Fund; (iii) members of the immediate families of any such excluded person; (iv) any firm, trust, corporation, or entity in which any Defendant has a controlling interest; and (vi) the legal representatives, heirs, successors, and assigns of any excluded person or entity. [Also excluded from the Settlement Class are those investors listed on the attached Exhibit A who timely and validly requested exclusion from the Settlement Class in accordance with the requirements set forth in the Notice, or that the Court otherwise allowed to be excluded from the Class.]

4. Pursuant to Fed. R. Civ. P. 23, and for purposes of the Settlement only, the Court hereby re-affirms its determinations in the Preliminary Approval Order and finally certifies Lead Plaintiffs Justin and Jenny Kaufman, Joseph N. Wilson, Dr. Larry and Marilyn Cohen, Tradition Capital Management LLC, and SRS Capital Advisors, Inc. as Class Representatives for the

Settlement Class; and finally appoints the law firms of Labaton Sucharow LLP and Robbins Geller Rudman & Dowd LLP as Class Counsel for the Settlement Class.

5. The Court finds that the mailing and publication of the Notice, Summary Notice, and Proof of Claim: (i) complied with the Preliminary Approval Order; (ii) constituted the best notice practicable under the circumstances; (iii) constituted notice that was reasonably calculated to apprise Settlement Class Members of the effect of the Settlement, of the proposed Plan of Allocation for the proceeds of the Settlement, of Lead Counsel's request for payment of litigation expenses incurred in connection with the prosecution of the Action, of Settlement Class Members' rights to object or seek exclusion from the Settlement Class, and of their right to appear at the Settlement Hearing; (iv) constituted due, adequate, and sufficient notice to all Persons entitled to receive notice of the proposed Settlement; and (v) satisfied the notice requirements of Rule 23 of the Federal Rules of Civil Procedure, the United States Constitution (including the Due Process Clause), and Section 27 of the Securities Act of 1933, 15 U.S.C. §77z-1(a)(7), as amended by the Private Securities Litigation Reform Act of 1995 (the "PSLRA").

6. The Court finds that the notice requirements set forth in the Class Action Fairness Act of 2005, 28 U.S.C. § 1715, including subpart (d) therein, to the extent applicable to the Action, have been satisfied.

7. [There have been no objections to the Settlement.]

8. Pursuant to Federal Rule of Civil Procedure 23(e)(2), the Court hereby approves the Settlement set forth in the Stipulation and finds that in light of the benefits to the Settlement Class, the complexity and expense of further litigation, and the costs of continued litigation, the Settlement is, in all respects, fair, reasonable, and adequate, having considered and found that:

(a) Lead Plaintiffs and Lead Counsel have adequately represented the Settlement Class; (b) the proposal was negotiated at arm's-length; (c) the relief provided for the Settlement Class is adequate, having taken into account (i) the costs, risks, and delay of trial and appeal; (ii) the effectiveness of any proposed method of distributing relief to the Settlement Class, including the method of processing Settlement Class Member claims; (iii) the terms of any proposed award of attorneys' fees, including timing of payment; and (iv) any agreement required to be identified under Rule 23(e)(3); and (d) the proposed Plan of Allocation treats Settlement Class Members equitably relative to each other.

9. Accordingly, the Court authorizes and directs implementation and performance of all the terms and provisions of the Stipulation, as well as the terms and provisions hereof. [Except as to any individual claim of those Persons (identified in Exhibit A attached hereto) who have validly and timely requested exclusion from the Class,] the Court hereby dismisses all Released Claims of the Settlement Class, as against the Settling Defendants and the Released Defendant Parties, with prejudice. For the avoidance of doubt, no claims in the Action against the Non-Settling Defendants are dismissed. The Settling Parties are to bear their own costs, except as and to the extent provided in the Stipulation and herein.

10. Upon the Effective Date, each of the Lead Plaintiffs shall, and each of the Settlement Class Members shall be deemed to have, and by operation of this Judgment shall have, fully, finally, and forever released, relinquished, and discharged all Released Claims against each of the Released Defendant Parties, whether or not such Settlement Class Member executes and delivers a Proof of Claim form or shares in the Net Settlement Fund. Claims to enforce the terms of the Stipulation are not released.

11. Upon the Effective Date, each of the Settling Defendants shall be deemed to have, and by operation of this Judgment shall have, fully, finally, and forever released, relinquished, and discharged all Released Defendants' Claims against each of the Released Plaintiff Parties. Claims to enforce the terms of the Stipulation are not released.

12. Upon the Effective Date, each of the Settling Defendants shall have fully, finally, and forever released, relinquished, and discharged all Cross-Released Claims against each and every other Settling Defendant.

13. All Settlement Class Members are hereby forever barred and enjoined from prosecuting any of the Released Claims against any of the Released Defendant Parties.

14. The court hereby bars any and all claims, however styled, for indemnification, contribution, or where the claim arises from a Released Claim and the alleged injury to the Person bringing the claim arises from that Person's alleged liability to the Lead Plaintiffs or any Settlement Class Member: (a) by any Person (including the Non-Settling Defendants) against the Released Defendant Parties, and (b) by the Released Defendant Parties against any Person (including the Non-Settling Defendants). This Paragraph 14 shall discharge the Released Defendant Parties to at least the same extent as if Section 21D-4(t)(7)(A) of the Securities Exchange Act of 1934, 15 U.S.C. § 78u-4(f)(7)(A), applies to this case.

15. Any final verdict or judgment obtained by or on behalf of the Lead Plaintiffs, the Settlement Class or any Settlement Class Member against any Person, other than the Released Parties, relating to the Released Claims, shall be reduced by the greater of (a) an amount that corresponds to the percentage of responsibility of the Settling Defendants for common damages; or (b) the amount paid by or on behalf of the Settling Defendants to the Settlement Class or a Settlement Class Member for common damages.

16. Any order entered regarding the Plan of Allocation submitted by Lead Counsel or any order entered regarding any attorneys' fee and expense application shall in no way disturb or affect this Judgment and shall be considered separate from this Judgment.

17. Neither the Stipulation nor the Settlement contained therein, nor any act performed or document executed pursuant to or in furtherance of the Stipulation or the Settlement: (a) is or may be deemed to be or may be used as an admission of, or evidence of, the validity of any Released Claim, or of any wrongdoing or liability of the Settling Defendants or their respective Released Defendant Parties, or (b) is or may be deemed to be or may be used as an admission of, or evidence of, any fault or omission of any of the Settling Defendants or their respective Released Defendant Parties in any civil, criminal, or administrative proceeding in any court, administrative agency, or other tribunal. The Settling Defendants and/or their respective Released Defendant Parties may file the Stipulation and/or this Judgment in any other action or proceeding that may be brought against them in order to support a defense or counterclaim based on principles of *res judicata*, collateral estoppel, release, statute of limitations, statute of repose, good faith settlement, judgment bar or reduction, or any theory of claim preclusion or issue preclusion or similar defense or counterclaim.

18. Without affecting the finality of this Judgment in any way, this Court hereby retains continuing jurisdiction over: (a) implementation of this Settlement and any award or distribution of the Settlement Fund; (b) disposition of the Settlement Fund; (c) hearing and determining applications for attorneys' fees and expenses in the Action and any dispute related to the allocation of attorneys' fees; and (d) all parties hereto for the purpose of construing, enforcing, and administering the Stipulation. For the avoidance of doubt, the award of any

attorneys' fees, costs, or expenses to Lead Counsel, including any appeals therefrom, shall not affect the finality of this Judgment or delay the Effective Date of the Settlement.

19. The Court finds that during the course of the Action, the Settling Parties and their respective counsel at all times complied with the requirements of Federal Rule of Civil Procedure 11.

20. In the event that the Settlement does not become effective in accordance with the terms of the Stipulation, or the Effective Date does not occur, or in the event that the Settlement Fund, or any portion thereof, is returned to the funder(s), then this Judgment shall be rendered null and void to the extent provided by and in accordance with the Stipulation and shall be vacated and, in such event, all orders entered and releases delivered in connection herewith shall be null and void to the extent provided by and in accordance with the Stipulation.

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

IT IS SO ORDERED.

DATED this \_\_\_\_\_ day of \_\_\_\_\_, 2019

---

Honorable Robert M. Dow, Jr.  
UNITED STATES DISTRICT JUDGE

**EXHIBIT A**

[Those Persons who have validly and timely requested exclusion from the Class]