UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

In re: Hi-Crush Partners L.P. Securities Litigation	No. 12-Civ-8557 (CM) **ECF Case**

DECLARATION OF IRA M. PRESS IN SUPPORT OF (I) LEAD PLAINTIFFS' MOTION FOR FINAL APPROVAL OF CLASS ACTION SETTLEMENT AND PLAN OF ALLOCATION OF SETTLEMENT PROCEEDS AND (II) LEAD COUNSEL'S MOTION FOR AN AWARD OF ATTORNEYS' FEES AND REIMBURSEMENT OF EXPENSES

I, Ira M. Press, hereby declare under penalty of perjury pursuant to 20 U.S.C. §1746, that the following is true and correct:

1. I am a partner in the law firm of Kirby McInerney LLP ("Kirby McInerney"), Court-appointed Lead Counsel[1] for the plaintiff class in this litigation. I have personal knowledge of the facts detailed herein, having been one of the principal attorneys responsible for the prosecution and resolution of this class action (the "Action"). I am admitted to the bar of the State of New York and am in good standing, and I am admitted to this Court.

2. This declaration is respectfully submitted in support of Lead Plaintiffs' Motion for final approval of (1) the proposed settlement set forth in the Stipulation; (2) the Plan of Allocation described in the Class Notice, which was mailed to Settlement Class members commencing on October 3, 2014 (the "Notice"); and (3) Lead Counsel's Motion for an Award of Attorneys' Fees and Reimbursement of Expenses.

I. INTRODUCTION

3. After approximately two years of aggressively contested litigation, Lead Plaintiffs, on behalf of the Settlement Class, have entered into the Stipulation that, if given final approval by the Court, will resolve all of the claims of the Settlement Class against Defendants Hi-Crush Partners LP ("Hi-Crush" or the "Partnership"), Hi-Crush GP LLC ("Hi-Crush GP"), Robert E. Rasmus, James M. Whipkey, Laura C. Fulton, and Jefferies V. Alston, III (collectively, "Defendants"), for $3.8 million in cash.

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[1] "Lead Counsel" or "Interim Lead Counsel" refers to court-appointed Lead Counsel Kirby McInerney LLP; "Lead Plaintiffs" refers to court-appointed Lead Plaintiffs HITE Hedge LP and HITE MLP LP (collectively, the "HITE Funds"). *See* ECF No. 54. All capitalized terms not otherwise defined shall carry the meaning set forth in the Stipulation and Agreement of Settlement, dated September 12, 2014 ("the Stipulation") (ECF No. 102-1), annexed hereto as Exhibit 1.

4. Lead Counsel believes the Settlement represents an exceptional class-wide recovery based on its extensive investigation into the facts and circumstances underlying the claims alleged in the Consolidated Amended Complaint in addition to the results of the litigation to date.

5. Additionally, the proposed Settlement was reached only after a hard-fought day-long mediation session conducted by Robert A. Meyer, Esq. of Loeb & Loeb LLP in his firm's Los Angeles, California office on June 25, 2014. Defendants' insurers also attended the mediation. Meyer is a highly regarded litigator and mediator with decades of experience in complex litigation, including securities and derivative class actions, professional liability lawsuits, cases involving complex financial instruments (including mortgage backed securities), cases arising under ERISA, intellectual property disputes, consumer class actions and other commercial disputes.

6. On September 16, 2014, this Court entered an order preliminarily approving, *inter alia*, the Settlement, certifying a Settlement Class, appointing Kirby McInerney as class counsel, providing for Notice, setting a date of December 19, 2014 at 9:30 a.m. for the Settlement Fairness Hearing, and appointing Garden City Group ("GCG") as the Claims Administrator (the "Preliminary Approval Order"). *See* Ex. 2 at 5.

7. Pursuant to the Preliminary Approval Order, over 7,546 packets containing the Notice and Proof of Claim form have been mailed or emailed by GCG to Settlement Class Members and nominees of Settlement Class Members. *See* Ex. 3, Declaration of Jose C. Fraga of Garden City Group Re: (A) Mailing of Notice of Proposed Settlement of Class Action, and Proof of Claim and Release; (B) Publication of Summary Notice; (C) and Status Report, dated November 13, 2014 ("Fraga Decl.") at ¶9. The Notice described among other things: (i) the

Action; (ii) the terms of the Settlement; (iii) the estimated average recovery per share if every Settlement Class member entitled to file a Proof of Claim did so; (iv) the Proposed Plan of Allocation; and (v) the maximum amounts Lead Counsel would seek for attorneys' fees and reimbursement of expenses (the "Request for Attorneys' Fees and Expenses") as required by the Private Securities Litigation Reform Act of 1995 ("PSLRA"). *See* 15 U.S.C. § 78u-4(a)(7). *See* Fraga Decl. Ex. A.

8. The Notice also explained Settlement Class members' rights and procedures for objecting to the Settlement, the Plan of Allocation and/or the Request for Attorneys' Fees and Expenses and the right of Settlement Class members to appear at the Settlement Fairness Hearing. A Summary Notice was published in *Investor's Business Daily* and transmitted over *Business Wire* on October 14, 2014. Fraga Decl. ¶10.

9. Additionally, copies of the settlement documents, including the Notice and Proof of Claim form, are available on the website maintained by GCG (http://www.hicrushsecuritiessettlement.com/) and on Kirby McInerney's website (www.kmllp.com) and may be downloaded at no cost. *Id.* at ¶12.

10. The Preliminary Approval Order provided that any Settlement Class Member who objects to the Settlement, the Plan of Allocation, and/or the Request for Attorneys' Fees and Expenses must file and serve such objections no later than November 28, 2014. Ex. 2 at 10. As of November 13, 2014, Lead Counsel has received no objections.

11. The deadline for requests for exclusion is November 28, 2014. *Id.* at 8. As of November 13, 2014, Lead Counsel has received only two requests for exclusion. On October 14, 2014, Harold Rowell ("Rowell") sent a letter to the Settlement Administrator requesting exclusion from the Settlement Class, wherein he acknowledged that he would "release all

manner of future claims [that he] may have had." As Rowell failed to provide any detail relating to his ownership of Hi-Crush common units, whether he even is a member of the Settlement Class cannot be ascertained. Fraga Decl. Ex. D. Likewise on November 10, 2014 Herbert M. Seybold requested exclusion from the Settlement Class but did not provide any evidence of his Class Period ownership of Hi-Crush common units. *Id.*

12. The positive response of Settlement Class members to the Settlement further evidences that the proposed Settlement is a truly significant and positive result, as compared with the risk that a similar, smaller, or no recovery would be achieved after a trial and appeals, possibly years in the future, in which the Defendants would have the opportunity to assert defenses to the claims asserted against them and there might be an inability to satisfy any substantial judgment against them. Further, as explained below, the Plan of Allocation set forth in the Notice, and the requested attorneys' fees of 33 1/3% ($1,266,666.67), of the Settlement Amount, which is approximately 1.41 times counsel's total lodestar (*i.e.*, hourly rates times number of hours worked), and reimbursement of expenses of $106,451.20, are fair and reasonable and should be approved. As detailed below at ¶¶73-76, the lodestar calculation includes the total hours worked by Lead Counsel's full-time attorneys and employees.

II. SUMMARY OF ALLEGATIONS AND CLAIMS

13. The factual allegations of the Complaint have been set forth at length in the Court's decision on Defendants' motion to dismiss. *See In re Hi-Crush Partners L.P. Sec. Litig.*, No. 12 Civ. 8557 (CM), 2013 WL 6233561, at *1-5 (S.D.N.Y. Dec. 2, 2013). With respect to the claims that survived the dismissal motions, Lead Plaintiffs pled that prior to November 13, 2012, Defendants wrongfully concealed that Baker Hughes Inc. ("Baker Hughes"), which had

accounted for nearly 20% of Hi-Crush's sales revenue, repudiated its Supply Agreement with Hi-Crush.

14. More specifically, on September 19, 2012, Baker Hughes notified Hi-Crush that it was terminating its customer relationship. Hi-Crush did not publicly disclose this information. In fact, on September 25, 2012, Hi-Crush posted an investor presentation to its website that continued to tout the Baker Hughes customer relationship, which defendants Rasmus and Fulton delivered live before an audience at the Energy Prospectus Group luncheon in Houston, Texas, on the same day. The presentation attributed Hi-Crush's "Stable Cash Flow" in part to "Long Term Contracted Cash Flow Stability" obtained through long-term fixed price/volume contracts with a "Blue Chip, investment grade market leader Customer Base." Additionally, Hi-Crush listed Baker Hughes as the first of its four major customers even though Baker Hughes had repudiated its relationship a week earlier. During this presentation, Hi-Crush did not disclose that Baker Hughes repudiated its contract or even hint at the possibility that its relationship with Baker Hughes was endangered.

15. On November 13, 2012, Hi-Crush issued a press release and filed a Form 8-K with the U.S. Securities and Exchange Commission ("SEC") announcing the "Termination of a Material Definitive Agreement." These filings publicly disclosed for the first time that, on September 19, 2012, Baker Hughes purported to repudiate its Supply Agreement with Hi-Crush. The release additionally disclosed that, in response to Baker Hughes' purported repudiation, Hi-Crush had formally terminated the Supply Agreement and had filed a lawsuit against Baker Hughes on November 12, 2012.

16. On the first day of trading after this news was disclosed, Hi-Crush's common units lost approximately 26% of their value on extremely high trading volume of more than 3.3

million units. The price fell from $20.35 per unit on November 12, 2012 to close at $15.00 per unit on November 13, 2012.

17. Defendants have denied the Complaint's allegations and do not admit, as part of this Settlement, any wrongdoing.

III. PROCEDURAL HISTORY OF THE ACTION

18. Between November 21, 2012 and December 18, 2012, plaintiffs Shirley Horn, Douglas Goodhart, Leona Sesholtz, Alexander W. Thiele, and Peter A. Luebke filed four separate putative class action lawsuits against Hi-Crush, its general partner, certain of its officers and directors, and the underwriters of Hi-Crush's Initial Public Offering ("IPO"): *Horn v. Hi-Crush Partners, L.P., et al.*, 12-CV-8557 (S.D.N.Y.) (the "Horn Action"); *Goodhart v. Hi-Crush Partners, L.P., et al.*, 12-CV-8574 (S.D.N.Y.) (the "Goodhart Action"); *Sesholtz, at al. v. Hi-Crush Partners, L.P., et al.*, 12-CV-8610 (S.D.N.Y.) (the "Sesholtz Action"); and *Luebke v. Hi-Crush Partners, L.P., et al.*, 12-CV-9212 (S.D.N.Y.) (the "Luebke Action"). These lawsuits alleged violations of Sections 11, 12 and 15 of the Securities Act of 1933 (the "Securities Act"), against Hi-Crush Partners LP, the company's investment bankers (Barclays Capital Inc., Credit Suisse Securities (USA) LLC, Morgan Stanley & Co. LLC, RBC Capital Markets, LLC, Raymond James & Associates, Inc., Robert W. Baird & Co. Incorporated, UBS Securities LLC), and Individual Defendants (Jeffries V. Alston, III ("Alston"), Robert L. Cabes, Jr. ("Cabes"), Laura C. Fulton ("Fulton"), John R. Huff ("Huff"), Robert E. Rasmus ("Rasmus"), Trevor M. Turbidy ("Turbidy"), Steven A. Webster ("Webster"), and James M. Whipkey ("Whipkey")). These lawsuits alleged that Hi-Crush's IPO offering documents were materially false or misleading in their description of Hi-Crush's relationship with Baker Hughes.

19. Pursuant to the PSLRA (15 U.S.C. §78u-4(a)(3)(B)), several members of the putative class moved for appointment as lead plaintiff on or before January 22, 2013.

20. Plaintiffs in the *Goodhart* Action and *Sesholtz* Action voluntarily dismissed their lawsuits on December 10, 2012 and February 7, 2013, respectively.

21. By an order dated February 11, 2013 (the "Order") (ECF No. 54), the Court consolidated the *Horn* and *Luebke* Actions under the caption *In re Hi-Crush Partners, L.P. Securities Litigation*, 12 Civ. 8557 (the "Consolidated Action"), appointed the HITE Funds as the Lead Plaintiffs and Kirby McInerney LLP as lead counsel for the putative class in the Consolidated Action. The Court also directed Lead Plaintiffs and their counsel to file any amended or consolidated complaint before February 15, 2013.

22. On February 15, 2013, Lead Plaintiffs filed a consolidated amended complaint (the "Consolidated Complaint"), adding Hi-Crush GP as a defendant. The Consolidated Complaint alleged violations of Sections 11, 12 and 15 of the Securities Act, and added claims for violations of Sections 10(b) and 20(a) of the Securities Exchange Act of 1934 (the "Exchange Act") and Rule 10b-5 promulgated under Section 10(b), based on misrepresentation in or omission from Hi-Crush's September 25, 2012 investor presentation. The 10(b) claims had not been asserted in any of the previously-filed complaints.

23. On March 22, 2013, all of the named defendants moved to dismiss the Consolidated Complaint. On April 12, 2013, Lead Plaintiffs filed their Opposition to the defendants' motions to dismiss the Consolidated Complaint. Defendants filed replies in support of their motions to dismiss on April 19, 2013.

24. On December 2, 2013, the Court issued a Decision and Order Granting in Part and Denying in Part Defendants' Motions to Dismiss ("Decision and Order"). Specifically, the Court

dismissed the claims asserted under Sections 11, 12 and 15 of the Securities Act, but denied dismissal as to the claims asserted under Sections 10(b) and 20(a) of the Exchange Act and SEC Rule 10b-5, relating to investments in Hi-Crush common units during the period from September 25, 2012 through November 12, 2012. As a result of the Decision and Order, the named underwriter defendants (who had only been named in the Securities Act claims) and certain of the individual defendants, were dismissed from the Consolidated Action.

25. On January 13, 2014, the remaining Defendants (Hi-Crush, Hi-Crush GP, and Alston, Fulton Rasmus, and Whipkey) filed their answer to the Amended Complaint denying the allegations therein.

26. On April 15, 2014, Lead Plaintiffs filed their Class Certification Motion. On May 15, 2014, Defendants filed their Opposition to Plaintiffs' Class Certification Motion and Plaintiffs filed their reply on June 17, 2014.

27. From February to June 2014, the parties engaged in merits and class discovery conferring extensively over search terms and the parameters of document production. Defendants produced over 14,000 pages of Class Period documents, which Lead Counsel reviewed and used to develop further factual allegations in addition to planning for additional document requests and depositions of Hi-Crush executives. Defendants sought class and expert discovery in connection with Lead Plaintiffs' Motion for Class Certification and Appointment of Class Representative and Class Counsel. Lead Counsel reviewed and coordinated the production of documents to Defendants, and defended depositions of Lead Plaintiffs' representative and damages expert. In addition, Lead Counsel prepared Lead Plaintiffs' representative and damages expert for deposition testimony and traveled to Boston in connection with the deposition of Lead Plaintiffs' representative.

28. During the pendency of Lead Plaintiffs' motion for class certification, the parties agreed to explore a negotiated resolution through mediation. On June 25, 2014, the Settling Parties participated in mediated settlement negotiations before the Mediator. Mediation briefs were submitted in advance of the mediation. After an intensive day long mediation session, which was attended by Defendants' insurers, the Mediator made a proposal to settle the Action for $3.8 million in cash, subject to the execution of a formal stipulation and the Court's approval. Shortly thereafter, the parties accepted the Mediator's proposal. After that agreement in principle, the parties drafted, and negotiated on the specific terms of, the Stipulation of Settlement ("Stipulation"), together with exhibits and certain other documents referred to herein. On September 12, 2014, the Stipulation was duly executed by representatives of the Settling Parties.

29. On September 12, 2014, Lead Plaintiffs moved for preliminary approval of the Settlement, certification of a settlement class and approval of the Settlement. ECF No. 100. On September 16, 2014, the Court granted Lead Plaintiffs' motion. ECF No. 104.

IV. THE SETTLEMENT

30. The Settlement was negotiated on an informed basis and with a thorough understanding of the merits and value of the Parties' claims and defenses.

31. In advance of the June 25, 2014 mediation session, Lead Counsel submitted a written mediation statement setting forth the bases for Lead Counsel's claims on liability and damages.

32. After an intensive full-day mediation session, the Mediator proposed that the parties settle the Action for $3.8 million in cash. This proposal reflected a reasoned compromise based on Lead Plaintiffs' and Lead Counsel's knowledge of the strengths and weaknesses of the

case gained through thorough review and analysis of relevant materials prior to drafting the Consolidated Amended Complaint, successfully opposing Defendants' motion to dismiss, undertaking class and merits discovery, and fully briefing Lead Plaintiffs' class certification motion in addition to learning new information during the mediation session.

33. On June 26, 2014, the Parties informed the Court that an agreement in principle to settle the claims on a class wide basis had been reached and requested that the Court adjourn Lead Plaintiffs' pending class certification motion. The Court endorsed this request the next day. ECF No. 99.

34. Between June and September 2014, the parties engaged in ongoing negotiations over the final terms of the Settlement and drafted the formal Stipulation and related exhibits.

35. The Parties' agreement in principle on the material terms and conditions of the Settlement was memorialized in the Stipulation dated September 12, 2014. *See* Ex. 1.

36. On September 12, 2014, Lead Plaintiffs also moved for preliminary approval of the Settlement (ECF No. 100), which the Court granted four days later on September 16, 2014. ECF No. 104.

37. The entire Settlement Fund of $3,800,000 (after deduction of Court-approved expenses and attorneys' fees and notice and administration costs), plus interest, will be distributed to members of the Class who timely submit valid proofs of claim. There will not be any reversion to Defendants or any of their insurers of any portion of the $3,800,000 Settlement Amount. The Settlement represents roughly 36% of the recovery that the Class could have obtained had (a) a class been certified, (b) the claims withstood summary judgment, (c) the class prevailed at trial on liability, (d) the jury agreed completely with the class' damage expert, (e) the

verdict withstood all post-trial motions and appeals, and (f) 100% of eligible class members submitted valid claims.

V. ASSESSMENT OF STRENGTHS AND WEAKNESSES OF CLAIMS

38. Lead Counsel's investigation and post-motion to dismiss discovery efforts enabled Lead Plaintiffs to thoroughly evaluate the strengths and weaknesses of the claims and the risks of continued litigation, and accordingly to enter into the Settlement on a fully informed basis.

39. While the Court partially sustained Lead Plaintiffs' claims against Defendants at the motion to dismiss stage, Lead Plaintiffs nevertheless recognized that they faced substantial risks with respect to the sustained claims if the action continued. The investigation and discovery, described above, on both liability and damages issues enabled Lead Plaintiffs to thoroughly evaluate the strengths and weaknesses of the claims and the risks of continued litigation, and accordingly to enter into the Settlement on a fully informed basis.

40. In evaluating settlement proposals, Lead Plaintiffs considered, among other things: (i) the cash benefit to Settlement Class Members under the terms of the Stipulation; (ii) the difficulties and risks involved in proving the complex claims; (iii) whether Lead Plaintiffs can also prove that Defendants acted with fraudulent intent in making the misleading statements; (iv) the probability that Defendants would move for summary judgment at the close of discovery, leading to a battle of the experts with respect to scienter and loss causation issues; (v) the attendant risks of litigation, especially in a complex action such as this, including the ability to maintain class status through to judgment; and (vi) the costs and delays inherent in such litigation, including appeals.

41. Securities class actions are by their nature legally and factually complex and difficult. Here, there were real risks that Lead Plaintiff would be unable to establish the required elements of its claims, including scienter, loss causation, and damages.

42. The central allegations of the Complaint are that Defendants fraudulently misrepresented the strength of Hi-Crush's customer relationship with Baker Hughes (which contributed more than 18% of Hi-Crush's 2012 revenue), causing Hi-Crush common units to trade at artificially inflated prices during the Class Period. Defendants' scienter is typically the most difficult element of a Section 10(b) claim to establish in securities fraud class actions. Lead Counsel believed that evidence uncovered through its investigation and discovery, in addition Court's motion to dismiss ruling,[2] would enable them to establish that Defendants acted with scienter. Nevertheless, Defendants consistently have argued that they did not intend to defraud investors and that Baker Hughes' purported repudiation of its supply agreement was a meritless renegotiation ploy.[3] Defendants also claimed to have relied upon the advice of experienced counsel who advised that the Baker Hughes' repudiation was invalid, and that Hi-Crush only owed investors a disclosure duty when Hi-Crush filed its own lawsuit against Baker Hughes on November 12, 2012. Indeed, this Court previously observed in its motion to dismiss opinion that "Hi-Crush did not actually breach its agreement with Baker Hughes and . . . Baker Hughes had no valid basis for terminating the agreement." *See Hi-Crush*, 2013 WL 6233561, at *16.

[2] The Court determined that Defendants owed a "clear duty to disclose" and further observed that "[t]he facts alleged by Plaintiff . . . support an inference that Hi-Crush recklessly (or even intentionally) concealed [Baker Hughes'] repudiation with knowledge that this omission posed a high danger of misleading investors." *Hi-Crush*, 2013 WL 6233561, at *25.

[3] Indeed, during the pendency of this Action, Hi-Crush filed an 8-K filed with the U.S. Securities and Exchange Commission on October 10, 2013 that announced Hi-Crush had resolved its contract dispute with Baker Hughes by negotiating a new 6-year supply agreement which required Baker Hughes to purchase a minimum amount of frac sand on a monthly basis.

43. While Lead Plaintiffs believed that they would be able to establish that Defendants acted with scienter in failing to disclose Baker Hughes' supply agreement repudiation, they still faced considerable risk that available evidence would not withstand a summary judgment motion, or that they would be unable to convince a jury to accept Lead Plaintiffs' scienter theory over Defendants' competing narrative of good faith conduct.

44. Moreover, Defendants indicated that they would have proffered experts to opine that much of the alleged investor damages resulted from factors other than correction of any misleading statements. Accordingly, Lead Plaintiffs faced significant risk that, even if their claims were successfully prosecuted, a jury would accept Defendants' analysis of the damages and significantly limit any recovery.

45. During the mediation session, discussions concerning the Parties' respective arguments provided additional information for Lead Counsel and Lead Plaintiffs to consider in assessing the value of the claims, including the risks of proving scienter, loss causation and damages. Because Lead Plaintiffs and Lead Counsel's internal analysis was based on historical data and information in addition to material obtained through discovery, the facts and circumstances underlying these issues were well-understood and vetted when the parties agreed to settle.

46. Lead Plaintiffs and their representatives have prior experience serving as a lead plaintiff in a complex litigation. Lead Plaintiffs' representative was regularly involved in the litigation, fully apprised of all significant activities in the case, and involved in settlement negotiations. Lead Plaintiffs believe that the foregoing considerations support their view that the Settlement is fair and reasonable.

VI. COMPARISON OF THE SETTLEMENT TO SIMILAR ACTIONS

47. The view that the Settlement is fair is also supported by a comparison to the settlements of other securities class actions.

48. According to a 2014 report by NERA Economic Consulting entitled "Recent Trends in Securities Class Action Litigation: 2013 Full-Year Review" ("NERA Report"), "the median settlement for cases with investor losses of less than $20 million has been 17.1% of the investor losses" for cases settled between January 1996 and December 2013. *See* Ex. 4 at 32. Similarly, a recent Cornerstone Research study found that analysis for all securities class actions settled in 2013 confirmed that the median securities class action settlement where estimated damages were less than $50 million recovered 15.1% of estimated class-wide damages. *See* Ex. 5, Laura E. Simmons & Ellen M. Ryan, "Securities Class Action Settlements: 2013 Review and Analysis," at 9 (Cornerstone Research 2013). Moreover, this figure was only 10.7% for cases that settled between 1996 and 2012. *Id.*

49. Therefore, this Settlement, which would recover approximately 36% of estimated class-wide damages of $10.4 million, is well above the median recovery obtained in comparable securities class action settlements, and represents an excellent result for Class Members.[4]

VII. REACTION OF THE CLASS

50. Class member objections may be filed until November 28, 2014. To date, there have been no objections received to the Settlement, the Plan of Allocation, or the amount of Lead Counsel's fee request.

[4] The estimate is a product of (a) the per-unit decline of $5.35 in reaction to the November 13, 2012 corrective disclosure, and (b) an estimate of the number of Hi-Crush common units purchased during the 7-week Class Period that were still held at the time of the corrective disclosure.

VIII. THE PLAN OF ALLOCATION

51. Pursuant to the Preliminary Approval Order, and as explained in the Notice, all Class Members wishing to participate in the Settlement are to file a valid Proof of Claim on or before January 31, 2015.

52. As set forth in the Notice, Class Members who file timely and valid Proof of Claim forms will receive distributions from the Net Settlement Fund, after deduction of fees and expenses approved by the Court and taxes incurred on interest income earned by the Settlement Fund. The distributions will be made in accordance with the Plan of Allocation set forth and described in detail in the Notice. The Plan of Allocation was developed by Lead Counsel.

53. As explained in the Notice, the Plan of Allocation apportions the recovery among Class Members who acquired Hi-Crush common units during the Class Period and were damaged thereby.

54. The Plan of Allocation reflects an assessment of the damages that may have been recovered in the Action, had liability been successfully established, based on the amount of inflation that was removed from the price of Hi-Crush common units as a result of the corrective disclosure of November 13, 2012 (*i.e.*, the disclosure that Baker Hughes had repudiated its customer relationship with Hi-Crush). The Plan of Allocation calculates each Settlement Class Member's total recognized losses and allocates recovery based on the timing of each Settlement Class Member's purchases and sales relative to the alleged artificial inflation of Hi-Crush common units. Specifically, each Settlement Class Member's recognized loss will be a function of the per-share decline in reaction to the corrective disclosure (up to $4.26)[5] applied to any

[5] The maximum per share recognized loss is $4.26, even though Hi-Crush units declined by $5.35 in response to the corrective disclosure, because the PSLRA limits recoverable damages to

Class Period-purchased shares that the Settlement Class Member still held at the time of the corrective disclosure. Each Settlement Class Member will receive his or her or its pro rata share of the Net Settlement based on the calculation of his, her or its recognized loss.

55. Lead Plaintiffs and Lead Counsel respectfully submit that the Plan of Allocation is fair and reasonable and should be approved by the Court.

IX. THE MOTION FOR ATTORNEYS' FEES AND EXPENSES

56. Consistent with the law in the Second Circuit, Lead Counsel requests an award of attorneys' fees and expenses from the Settlement Fund based on a percentage of the Settlement Fund recovered for the Class. Lead Counsel is applying for a fee award of $1,266,666.67, which is 33 1/3% of the Settlement Fund (the "Fee Application"). Lead Counsel also requests a reimbursement of expenses incurred in connection with the prosecution of this Action in the amount of $106,451.20, plus interest. Below is a discussion of certain factors that Second Circuit courts generally consider when evaluating fee applications.

A. The Work and Experience of Lead Counsel

1. *Summary of Lead Counsel's Work to Date*

57. After the Court appointed Kirby McInerney Lead Counsel on February 11, 2013, Kirby McInerney quickly set to work drafting the Amended Complaint, which it was required to file within a week of its appointment. Prior to and during this compressed window of time, Kirby McInerney continued its factual investigation, which involved: (i) review and analysis of

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the difference between the purchase or price paid by the plaintiff and the mean trading price of that security during the 90-day period beginning on the date of the corrective disclosure. *See* Fraga Decl. Ex. A at 6. While Hi-Crush's units declined by $5.35 on November 13, 2012, the difference between the closing price of Hi-Crush units on November 12, 2012 ($20.35) and the mean closing price during the 90 days thereafter ($16.09) was $4.26. *Id.*

Hi-Crush's public SEC filings; and (ii) review and analysis of news articles, press releases, announcements, and analysts' reports by and relating to Hi-Crush and the proppant industry. Lead Counsel also researched the law applicable to the claims asserted in the Action in connection with the intention of refining existing claims and developing new ones. In particular, Kirby McInerney attempted to cure pleading deficiencies relating of the existing claims brought under Sections 11, 12 and 15 of the Securities Act by refining factual allegations and naming a new defendant, Hi-Crush GP LLC, in connection with the Section 15 claim. Additionally, Lead Counsel developed a new "after-market" theory of liability against Hi-Crush by alleging claims under Sections 10(b) and 20(a) of the Exchange Act and Rule 10b-5. These new "after-market" claims were the only ones to survive Defendants' motions to dismiss.

58. After responding to and defeating in part Defendants' complex motion to dismiss, Lead Counsel drafted and served its first set of document requests on Defendants on February 13, 2014. Defendants served their first set of document requests on Lead Plaintiffs on February 14, 2014. Lead Plaintiffs and Defendants served their responses and opposition to the first set of requests on March 17, 2014. The exchange of responses and objections prompted a series of meet and confer sessions with Defendants regarding the scope and manner of production of documents relating to both class and merits discovery. During the meet and confer process, Lead Counsel also negotiated the search terms that Defendants would employ to produce electronically stored information ("ESI") and coordinated with Lead Plaintiffs the production of documents to Defendants. Upon receipt of documents from Defendants, Lead Counsel reviewed over 14,317 pages of documents in anticipation of deposing key Hi-Crush executives and issuing follow-up document requests.

59. On April 15, 2014, Lead Plaintiffs filed their Class Certification Motion arguing that the Action was particularly well-suited for class action treatment and that all requirements of Federal Rule of Civil Procedure were satisfied. Prior to filing this motion, Lead Counsel researched the changing legal landscape relating to class certification while working closely with Lead Plaintiffs' damages expert. In response to Lead Plaintiffs' motion, Defendants deposed Lead Plaintiffs' damages expert and a representative of Lead Plaintiffs. Lead Counsel defended these depositions. On May 15, 2014, Defendants filed their Opposition to Plaintiffs' Class Certification Motion and Plaintiffs filed their reply on June 17, 2014. Although the parties reached an agreement in principle to settle the Action during the pendency of the Class Certification Motion, Lead Counsel believes that the Court likely would have granted its motion, particularly in light of the Supreme Court's recent ruling *Halliburton Co. v. Erica P. John Fund, Inc.*, 134 S. Ct. 2398 (2014).

60. Prior to the June 25, 2014 mediation session, the parties were required to submit detailed mediation statements. Lead Counsel worked closely with Lead Plaintiffs' damages expert initially to develop a classwide damages analysis and subsequently to develop responses to Defendant's mediation submission. Following a hard fought mediation session attended by Defendants' insurers, the Mediator made a proposal to settle the claims for $3.8 million in cash, which the parties accepted.

61. After reaching a settlement in principle, Lead Counsel continued to protect the Class's interests and strove to negotiate Stipulation terms that benefitted the Class.

2. *Lead Counsel's Qualifications and Fee Request*

62. Lead Counsel's credentials, as a firm that has extensive experience in plaintiffs' class action securities litigation and with a long and successful track record in such cases, are set forth in Lead Counsel's resume attached hereto as Exhibit 6.

63. Lead Counsel now respectfully seeks a fee award of $1,266,666.67 which is 33 1/3% of the Settlement Fund. Lead Counsel spent 1,594.75 hours prosecuting this Action and submits a total lodestar of $900,705.00. As such, the requested fee of $1,266,666.67 represents a modest enhancement to lodestar (approximately 141%), which compares favorably to lodestar multipliers awarded by courts in this jurisdiction and nationally for fee awards in connection with securities class action settlements (*see infra* at ¶74).

64. The schedule attached hereto as Exhibit 9 provides a detailed summary of the amount of time spent by each attorney and professional support staff of Kirby McInerney who was involved in the litigation, and the lodestar calculation based on Kirby McInerney's current billing rates. Additionally, all attorneys are full-time employees of Kirby McInerney. No contract attorneys were employed by Lead Counsel on this matter. The schedule was prepared from contemporaneous daily time records regularly prepared and maintained by Kirby McInerney, which are available at the request of the Court. Kirby McInerney's lodestar figures are based upon the firm's billing rates, which do not include charges for expense items. Time expended in preparing this application for fees and reimbursement of expenses has not been included in this request.

65. The hourly rates for the attorneys and professional support staff at Kirby McInerney included in Exhibit 7 are the same as the regular current rates charged for their services in non-contingent matters and/or which have been accepted by courts in other securities or shareholder litigation. The hourly billing rates of Lead Counsel's partners range from $700 to $850, and $425 to $550 for other attorneys. The rates are in-line with the rates of other law firms that specialize in prosecuting or defending complex securities class actions. Annexed hereto as Exhibits 9 and 10 are tables of billing rates for securities class action plaintiffs' firms and

defense firms compiled by Lead Counsel from fee applications submitted by such firms.

B. Standing and Caliber of Defense Counsel

66. The quality of the work performed by Lead Counsel in attaining the Settlement should also be evaluated in light of the quality of the opposition. The Defendants were represented by Vinson & Elkins LLP, a prominent international defense-oriented law firm, with more than 700 attorneys in 15 offices worldwide. In the face of this experienced and formidable opposition, Lead Counsel was nonetheless able to develop a case that was sufficiently strong to persuade the Defendants to settle the case on terms favorable to the Class.

C. The Risks of Litigation and the Need to Ensure the Availability of Competent Counsel in High-Risk Contingent Securities Cases

67. This prosecution was taken by Lead Counsel entirely on a contingent fee basis. The risks assumed by Lead Counsel in bringing these claims to a successful conclusion are described above. Those risks are also relevant to an award of attorneys' fees. Here, the risks assumed by Lead Counsel, and the time and expenses incurred without any payment, were extensive.

68. From the outset, Lead Counsel understood that it was embarking on a complex, expensive and lengthy litigation with no guarantee of ever being compensated for the substantial investment of time and money the case would require. In undertaking that responsibility, Lead Counsel was obligated to ensure that sufficient resources were dedicated to the prosecution of this Action, and that funds were available to compensate staff and to cover the considerable out-of-pocket costs that a case such as this requires. With a significant lag time for these cases to conclude, the financial burden on contingent-fee counsel is far greater than on a firm that is paid on an ongoing basis, and whose payment is guaranteed, win or lose. Indeed, counsel for plaintiffs have received no compensation during the approximately 2 years that this Action has

been pending and have incurred $106,451.20 in out-of-pocket expenses in prosecuting this Action for the benefit of the Class. *See* Ex. 8.

69. Lead Counsel also bore the risk that no recovery would be achieved. As discussed herein, from the outset, this case presented some risks and uncertainties that could have prevented any recovery whatsoever. Despite the most vigorous and competent of efforts, success in contingent-fee litigation, such as this, is never assured.

70. Lead Counsel knows from experience that the prosecution of a class action does not guarantee a recovery. To the contrary, it takes hard work and diligence by skilled counsel to develop the facts and theories that are needed to sustain a complaint or win at trial, or to induce sophisticated defendants to engage in serious settlement negotiations at meaningful levels.

71. Moreover, courts have repeatedly recognized that it is in the public interest to have experienced and able counsel enforce the securities laws and regulations pertaining to the duties of officers and directors of public companies. As recognized by Congress through the passage of the PSLRA, vigorous private enforcement of the federal securities law can only occur if private investors take an active role in protecting the interests of shareholders. If this important public policy is to be carried out, the courts should award fees that adequately compensate plaintiffs' counsel, taking into account the risks undertaken in prosecuting a securities class action.

72. Lead Counsel's extensive and persistent efforts in the face of substantial risks and uncertainties have resulted in a significant recovery for the benefit of the Class. In circumstances such as these, and in consideration of Lead Counsel's hard work and the extraordinary result achieved, the requested fee of 33 1/3% of the Settlement Fund is reasonable and should be approved.

D. Attorneys' Fee Awards in Similar Actions

73. As described in Lead Plaintiff's Memorandum of Law in Support of Motion for Award of Attorneys' Fees and Reimbursement of Expenses, the requested fees are fair and reasonable under both the percentage approach and the lodestar/multiplier methodology.

74. Exhibits 7 and 8 detail the time and expenses incurred and the hourly rates of Lead Counsel in connection with the prosecution of this case. Lead Counsel worked for a total of 1,594.75 hours and for a lodestar of $900,705.00 based on current billing rates. *See* Ex. 7. This translates to a lodestar multiplier of 1.41. All attorneys who submitted time in connection with this Action were full-time employees of Lead Counsel Kirby McInerney. No contract attorneys were employed by Lead Counsel on this matter.

75. The fee requested here, 33 1/3% of the Settlement Fund, is within the range generally awarded in securities class action litigation. This fee is justified by both the impressive recovery achieved (especially when viewed relative to the potential recovery had the Class prevailed on all of its claims at trial) and by practice and precedent in this Circuit. Courts in this District regularly approve percentage-based fee awards comparable to the amount requested here. *See City of Providence*, No. 11 Civ. 7132(CM)(GWG), 2014 WL 1883494, at *20 (awarding 33% of $15 million settlement); *Fogarazzo v. Lehman Bros. Inc.*, No. 03 Civ. 5194(SAS), 2011 WL 671745, at *4 (S.D.N.Y. Feb. 23, 2011) (awarding 33.3% of $6.75 million settlement); *In re Giant Interactive Grp., Inc. Sec. Litig.*, 279 F.R.D. 151, 165 (S.D.N.Y. 2001) (awarding 33% of $13 million settlement); *In Van Der Moolen Holding N.V. Sec. Litig.*, No. 03 Civ. 8284, slip. op. at 2 (S.D.N.Y. Dec. 7, 2006) (awarding 33 1/3% of $8 million settlement) (ECF No. 45) (Ex. 11); *Maley*, 186 F. Supp. 2d at 368 (awarding 33 1/3% of $11.5 million settlement and citing two cases which awarded 33 1/3% of the settlement amount: *In re Apac Teleservs., Inc. Sec. Litig.*, No. 97 Civ. 9145, at 2 (S.D.N.Y. June 29, 2001), awarding 33 1/3%

of $21 million settlement; and *Newman v. Caribiner Int'l Inc.*, No. 99 Civ. 2271 (S.D.N.Y. Oct. 19, 200) (ECF No. 31), awarding 33 1/3 of $15 million settlement); *see also Moloney v. Shelly's Prime Steak, Stone Crab & Oyster Bar*, No. 06 Civ. 4270, 2009 WL 5851465, at *5 (S.D.N.Y. Mar. 31, 2009) (collecting cases awarding over 30% and noting that "Class Counsel's request for 33% of the Settlement Fund is typical in class action settlements in the Second Circuit."); *Khait v. Whirlpool Corp.*, No. 06 Civ. 6381, 2010 WL 2025106, at *8 (E.D.N.Y. Jan. 20, 2010) (awarding 33% of $9.25 million settlement).

76. Additionally, courts in this District routinely award percentage-based fee awards where lodestar cross-checks yield comparable multipliers, and multipliers of nearly 5 have been "deemed 'common'". *See, e.g.*, *In re EVCI Career Colls. Holding Corp. Sec. Litig.,* No. 05 Civ. 10240(CM), 2007 WL 2230177, at *17 n.7 (S.D.N.Y. July 27, 2007) (cited by *Shapiro v. JPMorgan Chase & Co.*, No. 11 CIV. 7961 (CM), 2014 WL 1224666, at *24 (S.D.N.Y. Mar. 24, 2014)); *see also Walmart Stores Inc. v. Visa USA Inc.*, 396 F. 3d 96, 123 (2d Cir. 2005) (upholding a multiplier of 3.5 as reasonable on appeal); *Yang v. Focus Media Holding Ltd.*, No. 11 Civ. 9051 (CM) (GWG), 2014 WL 4401280, at *17 (S.D.N.Y. Sept. 4, 2014) (1.6 lodestar multiplier in a case settling for $3.7 million); *Van Dongen v. CNInsure Inc.*, No. 11 Civ. 07320 (S.D.N.Y. Aug. 15, 2014) (ECF No. 57) (3.11 lodestar multiplier in a case settling for $6.625 million); *In re Wachovia Equity Sec. Litig.*, No. 08 CIV. 6171 (RJS), 2012 WL 2774969, at *6 (S.D.N.Y. June 12, 2012) (1.65 lodestar multiplier in case settling for $75 million); *Hall v. Children's Place Retail Stores, Inc.*, 669 F. Supp. 2d 399, 405 (S.D.N.Y. 2009) (2.08 lodestar multiplier in case settling for $12 million); *In re Telik, Inc. Sec. Litig*., 576 F. Supp. 2d 580, 590 (S.D.N.Y. 2008) (McMahon, J.) (awarding a multiple of 1.6 as well within the range of reasonableness for a $5 million settlement and noting that lodestar multiples of over 4 are

awarded by this Court).

E. Reimbursement of the Requested Litigation Expenses is Fair and Reasonable

77. Lead Counsel seeks reimbursement of $106,451.20, plus interest, in litigation expenses reasonably and actually incurred by Lead Counsel, in connection with commencing and prosecuting the claims against the Defendants.

78. From the beginning of the case, Lead Counsel was aware that it might not recoup any of its expenses, and, at the very least, would not recover anything until this Action was successfully resolved. Lead Counsel also understood that, even assuming that the case was ultimately successful, reimbursement for expenses would not compensate them for the lost use of the funds advanced by them to prosecute this Action. Thus, Lead Counsel was motivated to, and did, take significant steps to minimize expenses wherever practicable without jeopardizing the vigorous and efficient prosecution of the case.

79. As detailed in Exhibit 8, Kirby McInerney has incurred a total of $106,451.20 in unreimbursed litigation expenses in connection with the prosecution of this Action. These expenses are reflected on the books and records maintained by Kirby McInerney. These books and records are prepared from expense vouchers, check records and other source materials, and are an accurate record of the expenses incurred. Kirby McInerney's books and records identify the specific category of expenses, *e.g.*, expert costs, on-line legal research, out-of-town travel costs, and other costs actually incurred for which Lead Counsel seek reimbursement.

80. All of the litigation expenses incurred were necessary to the successful prosecution and resolution of the claims against the Defendants. In addition, the Notice apprised potential Class Members that Lead Counsel would be seeking reimbursement of expenses in an amount not to exceed $115,000, excluding notice and administration costs.

81. In view of the complex nature of this Action, the expenses incurred were reasonable and necessary to pursue the interests of the Class. Accordingly, Lead Counsel respectfully submits that the expenses incurred by Lead Counsel should be reimbursed in full.

X. MISCELLANEOUS EXHIBITS

82. Attached hereto as Exhibit 11 is a compendium of unreported cases, in alphabetical order, cited in the accompanying Memorandum of Law in Support of Lead Counsel's Motion for an Award of Attorneys' Fees and Payment of Expenses.

XI. CONCLUSION

83. In view of the significant recovery to the Class, the very substantial risks of this Action, the substantial efforts of Lead Counsel, the quality of the work performed, the contingent nature of the fee, the complexity of the case and the standing and experience of Lead Counsel, Lead Counsel respectfully submits that the Settlement should be approved as fair, reasonable and adequate; that the Plan of Allocation should be approved as fair and reasonable; that a fee in the amount of 33 1/3% of the $3,800,000 Settlement Fund, or $ 1,266,666.67 plus interest, should be awarded to Lead Counsel, and litigation expenses in the amount of $106.451.00, plus interest should be reimbursed in full.

I declare under penalty of perjury that the foregoing is true and correct. Executed on November 14, 2014 in New York, New York.

/s/ Ira M. Press
Ira M. Press

EXHIBIT 1

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

In re: Hi-Crush Partners L.P. Securities Litigation	No. 12-Civ-8557 (CM) **ECF Case**

STIPULATION OF SETTLEMENT

This Stipulation of Settlement (the "Settlement Agreement" or "Stipulation"), dated as of September 12, 2014, made and entered into by and among Lead Plaintiffs HITE Hedge LP and HITE MLP LP (collectively, "Plaintiffs" or "HITE") on behalf of themselves and, by operation of law, on behalf of each member of the Settlement Class,[1] and Defendants Hi-Crush Partners LP ("Hi-Crush" or the "Partnership"), Hi-Crush GP LLC ("Hi-Crush GP"), Robert E. Rasmus, James M. Whipkey, Laura C. Fulton, and Jefferies V. Alston, III (collectively, "Defendants"), by and through their undersigned counsel (Plaintiffs and Defendants are collectively, the "Settling Parties"). Pursuant to Rule 23 of the Federal Rules of Civil Procedure, this Stipulation is intended by the Settling Parties to fully, finally, and forever compromise, resolve, discharge, and settle the Released Claims and Released Defendants' Claims (both of which include Unknown Claims), subject to the terms and conditions of this Stipulation and the approval of the United States District Court for the Southern District of New York (the "District Court"):

I. THE LITIGATION

Currently pending before the District Court is a consolidated action on behalf of all Persons who, between September 25, 2012 and November 12, 2012, inclusive, purchased or otherwise acquired common units issued by Hi-Crush ("Units").

Hi-Crush conducted its initial public offering ("IPO") in August 2012. In connection with the IPO, Hi-Crush filed a final prospectus with the United States Securities and Exchange

[1] All undefined terms with initial capitalization are defined below.

Commission ("SEC") that became effective on August 16, 2012. Hi-Crush completed its IPO on August 21, 2012.

On November 13, 2012, Hi-Crush issued a press release, stating, among other things that: (1) on September 19, 2012, one of its customers provided notice that it was terminating its long-term supply agreement with Hi-Crush; (2) on November 12, 2012, Hi-Crush exercised its contractual right to terminate the customer's supply agreement and sued that customer for breach of contract in Texas state court, seeking the contractually provided for liquidated damages.

Between November 21, 2012 and December 18, 2012, plaintiffs Shirley Horn, Douglas Goodhart, Leona Sesholtz, Alexander W. Thiele, and Peter A. Luebke filed four separate putative class action lawsuits against Hi-Crush, its general partner, certain of its officers and directors, and the underwriters of Hi-Crush's IPO: *Horn v. Hi-Crush Partners, L.P., et al.*, 12-CV-8557 (the "Horn Action"); *Goodhart v. Hi-Crush Partners, L.P., et al.*, 12-CV-8574 (S.D.N.Y.) (the "Goodhart Action"); *Sesholtz, at al. v. Hi-Crush Partners, L.P., et al.*, 12-CV-8610 (S.D.N.Y.) (the "Sesholtz Action"); and *Luebke v. Hi-Crush Partners, L.P., et al.*, 12-CV-9212 (S.D.N.Y.) (the "Luebke Action"). These lawsuits alleged violations of Sections 11, 12 and 15 of the Securities Act of 1933 (the "Securities Act") in connection with Hi-Crush's IPO and announcement on November 13, 2012.

Pursuant to the PSLRA (15 USC § 78u-4(a)(3)(B)), several members of the putative class moved for the appointment as lead plaintiff on or before January 22, 2013.

Plaintiffs in the Goodhart Action and Sesholtz Action voluntarily dismissed their lawsuits on December 10, 2012 and February 7, 2013, respectively.

By an order dated February 11, 2013 (the "Order") (Dkt. No. 54), the District Court consolidated the Horn Action and Luebke Action under the caption *In re Hi-Crush Partners,*

L.P. Securities Litigation, 12 Civ. 8557 (the "Consolidated Action"). In the Order, the District Court appointed HITE as the Lead Plaintiffs and Kirby McInerney LLP as lead counsel for the putative class in the Consolidated Action.

On February 15, 2013, Plaintiffs filed a consolidated amended complaint (the "Consolidated Complaint"). The Consolidated Complaint alleged violations of Sections 11, 12 and 15 of the Securities Act, and violations of Sections 10(b) and 20(a) of the Securities Exchange Act of 1934 (the "Exchange Act") and Rule 10b-5 promulgated under Section 10(b).

On March 22, 2013, all of the named defendants moved to dismiss the Consolidated Complaint. On April 12, 2013, Plaintiffs filed their Opposition to the defendants' motions dismiss the Consolidated Complaint. Defendants filed replies in support of their motions to dismiss on April 19, 2013.

On December 2, 2013, the District Court issued a Decision and Order Granting in Part and Denying in Part Defendants' Motions to Dismiss ("Decision and Order"). The Decision and Order dismissed the claims asserted under Sections 11, 12 and 15 of the Securities Act, but denied dismissal as to the claims asserted under Sections 10(b) and 20(a) of the Exchange Act and SEC Rule 10b-5. As a result of the Decision and Order, certain defendants, which include the named underwriter defendants and certain of the individual defendants, were dismissed from the Consolidated Action.

On January 13, 2014, Defendants filed their answer to the Amended Complaint denying the allegations therein.

From February to May 2014, the parties engaged in discovery that included the production and exchange of documents, the taking and defense of deposition testimony, and exchange of written discovery.

On April 15, 2014, Plaintiffs filed a Motion for Class Certification and Appointment of Class Representative and Class Counsel ("Class Certification Motion"). On May 15, 2014, Defendants filed their Opposition to Plaintiffs' Class Certification Motion and Plaintiffs filed their reply on June 17, 2014.

On June 25, 2014, the Settling Parties participated in mediated settlement negotiations before Robert A. Meyer, Esq. of Loeb & Loeb, LLP (the "Mediator"). With the Mediator's assistance, the Settling Parties reached an agreement in principle to settle the Consolidated Action, for $3,800,000, to be paid for the benefit of the Settlement Class.

II. PLAINTIFFS' CLAIMS AND BENEFITS OF THE SETTLEMENT

Plaintiffs and Lead Counsel believe that the claims asserted in the Consolidated Action have merit. Prior to entering into this Stipulation, Plaintiffs and Lead Counsel made a thorough investigation into the facts and circumstances relevant to the allegations in the Consolidated Action. However, Lead Counsel recognize and acknowledge the expense and length of continued proceedings necessary to prosecute the Consolidated Action against Defendants through trial and through appeals. Lead Counsel have also taken into account the uncertain outcome and the risk of any litigation, especially in complex securities class action cases such as the Consolidated Action, as well as the difficulties, costs, and delays inherent in such litigation. Lead Counsel are also mindful of the inherent problems of proof and possible defenses to the claims asserted in the Consolidated Action.

Based on their evaluation of public and non-public documents, negotiations with Defendants' Counsel, and after completing the discovery described in Section I above, Plaintiffs have concluded that the terms and conditions of this Stipulation are fair, reasonable, and adequate to Plaintiffs and the Settlement Class, and in their best interests, and have agreed to

settle the claims raised in the Consolidated Action after considering (a) the substantial benefits that Plaintiffs and the members of the Settlement Class will receive from settling the Consolidated Action; (b) the attendant risks associated with further litigation; and (c) the desirability of permitting the Settlement to be consummated on the terms and conditions of this Stipulation.

III. DEFENDANTS' DENIAL OF WRONGDOING AND LIABILITY

Defendants have asserted and continue to assert that all claims and allegations raised in the Consolidated Action are without merit, and Defendants have denied and continue to vigorously deny all allegations of wrongdoing or liability, whether by act or omission, with respect to each and all of the claims and contentions that were alleged or that could have been alleged by the members of the Settlement Class.

Defendants have asserted and continue to assert many defenses to the claims and allegations in the Consolidated Action and, notwithstanding this Stipulation, Defendants expressly assert that their defenses are meritorious and that they have no liability to the Settlement Class. Defendants also deny that any member of the Settlement Class suffered any damages or was harmed by the alleged conduct, statements, acts, or omissions asserted in the Consolidated Action against Defendants. There has been no determination on the merits by any court, administrative agency, or other tribunal as to the factual allegations made against Defendants in the Consolidated Action. Defendants, while affirmatively denying any and all allegations of wrongdoing, fault, liability, or damage to the Settlement Class whatsoever, and without conceding any infirmity in the defenses asserted or that could have been asserted, consider it desirable that the Consolidated Action be dismissed in order to finally put to rest any and all Released Claims and to avoid further the expense, distraction, and burden of protracted litigation.

Neither this Stipulation nor any document referred to herein nor any action taken to carry out this Stipulation is, may be construed as, or may be used as an admission by or against the Defendants or any of the Released Parties of any fault, wrongdoing, or liability whatsoever. Neither this Stipulation nor the Settlement set forth herein, nor any act performed or document executed pursuant to or in furtherance of this Stipulation or the Settlement: (i) is or shall be deemed to be or shall be used as an admission of the Defendants, any of the Released Parties, or any other Person of the validity of any Released Claim, or any wrongdoing by or liability of any of the Defendants or Released Parties; (ii) is or shall be deemed to be or shall be used as an admission of any fault or omission of the Defendants or any of the Released Parties in any statement, release, or written document issued, filed, or made; (iii) shall be offered or received in evidence against any of the Defendants or the Released Parties in any civil, criminal, or administrative action or proceeding in any court, administrative agency, or other tribunal, other than such proceedings as may be necessary to consummate or enforce this Stipulation, the Settlement set forth herein, the releases provided pursuant thereto, and/or the Final Approval Order, except that this Stipulation may be filed in the Consolidated Action or in any subsequent action brought against the Defendants, their insurers, and/or any of the Released Parties in order to support a defense or counterclaim of the Defendants and/or any of the Released Parties of res judicata, collateral estoppel, release, good faith settlement, or any theory of claim or issue preclusion or similar defense or counterclaim, including, without limitation, specific performance of the Settlement embodied in this Stipulation as injunctive relief; or (iv) shall be construed against the Defendants, the Released Parties, the Plaintiffs, and/or the Settlement Class as an admission or concession that the consideration to be given hereunder represents the amount which could be or would have been recovered after a trial of the Consolidated Action.

IV. TERMS OF STIPULATION AND AGREEMENT OF SETTLEMENT

NOW, THEREFORE, IT IS HEREBY STIPULATED AND AGREED, by and among Plaintiffs, for themselves and on behalf of all members of the Settlement Class, and Defendants, by and through their respective counsel, that pursuant to Rule 23 of the Federal Rules of Civil Procedure, and subject to the approval of the District Court and the other conditions set forth herein, the Consolidated Action and the Released Claims, as defined herein, shall be finally and fully settled, compromised, and released, and the Consolidated Action shall be dismissed on the merits and with prejudice, as to all Settling Parties, as follows.

A. DEFINITIONS

As used in this Stipulation and the Exhibits attached hereto (the "Exhibits"), the following terms shall have the meanings set forth below, unless otherwise indicated:

1. "Authorized Claimant" means a member of the Settlement Class who files a timely and valid Claim Form, in accordance with the requirements established by the District Court, that is approved for payment from the Net Settlement Fund.

2. "Claim" means a completed and signed Claim Form submitted to the Claims Administrator in accordance with the instructions on the Claim Form.

3. "Claim Form" means the Proof of Claim and Release Form annexed hereto as Exhibit A-3, which will be mailed to members of the Settlement Class with the Notice, and which must be completed in order for the Claimant or Settlement Class Member to be eligible to share in a distribution of the Net Settlement Fund.

4. "Claimant" means a member of the Settlement Class who files a Claim.

5. "Claims Administrator" means the firm retained by Lead Counsel on behalf of the Settlement Class, subject to approval of the Court, to provide all notices approved by the Court to potential Settlement Class Members and to administer the Settlement.

6. "Class Distribution Order" means the order distributing the proceeds of the Net Settlement Fund to Authorized Claimants.

7. "Class Member" or "Settlement Class Member" means a Person that is a member of the Settlement Class, including, without limitation, Lead Plaintiffs, and any other person or entity who does not exclude himself, herself, or itself by filing a request for exclusion in accordance with the requirements set forth in the Notice.

8. "Class Period" means the period from September 25, 2012 to November 12, 2012, inclusive.

9. "Defendants' Counsel" means the law firm of Vinson & Elkins L.L.P., on behalf of their respective clients only.

10. "Dismissed Defendants" means the defendants dismissed from the Consolidated Action by operation of the Decision and Order.

11. "Effective Date" means the date by which all of the following have occurred: (i) the Settlement has been approved in all material respects by the District Court (unless any material change has been agreed upon by the Settling Parties); (ii) the Final Approval Order has been entered by the District Court; and (iii) the time to appeal the Final Approval Order has expired without the filing of any appeals, or, in the event of any appeal, an order has been entered dismissing the appeal or affirming the Final Approval Order, and any time period for further appeal, including a petition for writ of certiorari, has expired. The Effective Date shall occur even if an appeal is taken from or review is sought of the Final Approval Order, if such

appeal(s) or petition(s) for review concerns solely one or more of the following: (a) any award to Plaintiffs' Counsel of attorneys' fees and expenses or the allocation of said attorneys' fees and expenses among counsel, or (b) the allocation of the Net Settlement Fund among members of the Settlement Class.

12. "Escrow Account" means the bank account maintained by the Escrow Agent into which the Gross Settlement Fund shall be deposited.

13. "Escrow Agent" means the law firm of Kirby McInerney LLP.

14. "Escrow Agreement" means the agreement between Lead Counsel and the Escrow Agent setting forth the terms under which the Escrow Agent shall maintain the Escrow Account.

15. "Fee and Expense Application" means the application submitted by Plaintiffs' Counsel seeking a Fee and Expense Award.

16. "Fee and Expense Award" means the attorneys' fees, expenses, and costs, including the fees of experts and consultants, as may be awarded by the District Court to Plaintiffs' Counsel in connection with commencing and prosecuting the Consolidated Action (which may include the costs and expenses of Lead Plaintiffs directly related to their representation of the Settlement Class).

17. "Final Approval Order" or "Judgment" means the Order and Final Judgment, which is substantially in the form attached hereto as Exhibit B, giving final approval of the Settlement, which is to be entered in this Consolidated Action pursuant to Rule 54(b) of the Federal Rules of Civil Procedure. As used herein, "final" means when the last of the following with respect to the Final Approval Order or Judgment, shall occur: (i) the expiration of three business days after the time to file a motion to alter or amend the Final Approval Order under

Rule 59(e) of the Federal Rules of Civil Procedure has passed without any such motion having been filed; (ii) the expiration of three business days after the time in which to appeal the Judgment has passed without any appeal having been taken (which date shall be deemed to be 33 days following the entry of the Judgment, unless the date to take such an appeal shall have been extended by Court order or otherwise, or unless the 33rd day falls on a weekend or a Court holiday, in which case the date for purposes of this Stipulation shall be deemed to be the next business day after such 33rd day); and (iii) if such motion to alter or amend is filed or if an appeal is taken, three business days after the determination of that motion or appeal (and without being subject to further appeal or review by petition for a writ of certiorari) in such a manner as to permit the consummation of the Settlement in accordance with the terms and conditions of this Stipulation. For purposes of this paragraph, an "appeal" shall not include any appeal that concerns only the issue of attorneys' fees and reimbursement of expenses or the Plan of Allocation of the Settlement Fund. Any proceeding or order, or any appeal or petition for a writ of certiorari pertaining solely to the Plan of Allocation and/or application for attorneys' fees, costs, or expenses, shall not in any way delay or preclude the Final Approval Order from becoming final.

18. "Gross Settlement Fund" means the sum of three million, eight hundred thousand dollars ($3,800,000), plus interest earned thereon (collectively with the Net Settlement Fund, the "Settlement Fund").

19. "HITE" means Lead Plaintiffs HITE Hedge LP and HITE MLP LP.

20. "Individual Defendants" shall have the same meaning given in the Amended Complaint.

21. "Lead Counsel" means the law firm of Kirby McInerney LLP.

22. "Net Settlement Fund" means the Gross Settlement Fund less all counsel fees, taxes, and expenses paid out of the Gross Settlement Fund in accordance with this Stipulation, the Preliminary Approval Order, the Final Approval Order, and any other orders of the District Court.

23. "Notice" means the Notice of Settlement of Class Action, which is to be mailed to members of the Settlement Class in substantially the form attached hereto as Exhibit A-1.

24. "Person" means an individual, corporation, partnership, limited partnership, association, joint stock company, estate, legal representative, trust, unincorporated association, government or any political subdivision or agency thereof, and any business, or legal entity, and its/their spouses, heirs, trustees, receivers, executors, administrators, predecessors, successors, representatives, or assigns.

25. "Plaintiffs' Counsel" means Lead Counsel and all other legal counsel for plaintiffs who performed services on behalf of or for the benefit of the Settlement Classes.

26. "Plan of Allocation" means the terms and procedures for allocating and distributing the Net Settlement Fund as set forth in the Notice, or such other Plan of Allocation approved by the District Court.

27. "Preliminary Approval Order" means the Order of Preliminary Approval of Settlement, which is in substantially the form of Exhibit A hereto, to be entered by the District Court preliminarily approving the Settlement.

28. "PSLRA" means the Private Securities Litigation Reform Act of 1995, 15 U.S.C. § 78u-4, *et seq.*, as amended.

29. "Recognized Loss" means the alleged loss attributed to a Settlement Class Member's investment in Hi-Crush equity securities through the formula set forth in the Plan of Allocation.

30. "Released Claims" means any and all manner of claims, demands, rights, liabilities, losses, obligations, duties, damages, costs, debts, expenses, interest, penalties, sanctions, fees, attorneys' fees, actions, potential actions, causes of action, suits, judgments, decrees, matters, as well as issues and controversies of any kind, whether known or unknown, disclosed or undisclosed, accrued or unaccrued, apparent or unapparent, foreseen or unforeseen, suspected or unsuspected, fixed or contingent, including Unknown Claims, that Plaintiffs or any and all members of the Settlement Class ever had, now have, or may have, or otherwise could, can, or might assert, whether direct, individual, class, representative, legal, equitable, or of any other type, in their capacity as unitholders of Hi-Crush, against any of the Released Parties, whether based on state, local, foreign, federal, statutory, regulatory, common, or other law or rule (including, but not limited to, any claims under federal securities laws or state common law), which, now or hereafter, are based upon, arise out of, relate in any way to, or involve, directly or indirectly, any of the actions, transactions, occurrences, statements, representations, misrepresentations, omissions, allegations, facts, practices, events, claims, or any other matters, that were, could have been, or in the future can or might be alleged, asserted, set forth, or claimed in connection with the Consolidated Action or the subject matter of the Consolidated Action in any court, tribunal, forum, or proceeding, including, without limitation, any and all claims that are based upon, arise out of, relate in any way to, or involve, directly or indirectly, (i) Hi-Crush's public statements and SEC filings during the Class Period which arise out of or relate in any way to the subject matter of the Consolidated Action; (ii) actions taken by the Individual

Defendants during the Class Period which arise out of or relate in any way to the subject matter of the Consolidated Action; (iii) any transaction in Hi-Crush securities by any Defendant or affiliated entity during the Class Period; and (iv) public statements made by the Individual Defendants during the Class Period which arise out of or relate in any way to the subject matter of the Consolidated Action; *provided*, *however*, that the Released Claims shall not include the right to enforce the Stipulation of Settlement.

31. "Released Defendants' Claims" means any and all claims, rights, liabilities, or causes of action, whether based on federal, state, local, statutory, or common law or any other law, rule, or regulation, including both known claims and Unknown Claims, that have been or could have been asserted in the Consolidated Action or any forum by the Defendants or Released Parties, against any of the Plaintiffs and Plaintiffs' Counsel, other members of the Settlement Class or their respective attorneys, which arise out of or relate in any way to the institution, prosecution, defense, and the settlement of the Consolidated Action; *provided*, *however*, that the release of Plaintiffs and Plaintiffs' Counsel, and Settlement Class Members and their counsel, shall not include the right to enforce the Stipulation of Settlement. Released Defendants' Claims also do not include, release, bar, or waive claims against any Person who submits a request for exclusion from the Settlement Class and who does not withdraw his, her, or its request for exclusion and whose request is accepted by the District Court.

32. "Released Parties" means, whether or not each or all of the following Persons or entities were named in the Consolidated Action or any related suit, (i) any and all Defendants and former defendants in this Action, including but not limited to the Individual Defendants and the Underwriter Defendants; (ii) any Person which is, was, or will be related to or affiliated with any or all of the Defendants and former defendants in this Action, including but not limited to the

Individual Defendants and the Underwriter Defendants, or in which any or all of the Defendants or former defendants in this Action, including but not limited to the Individual Defendants and the Underwriter Defendants, has, had, or will have a controlling interest; and (iii) the respective past or present direct or indirect family members, spouses, heirs, trusts, trustees, receivers, executors, estates, administrators, beneficiaries, distributees, foundations, agents, employees, fiduciaries, general partners, limited partners, partnerships, joint ventures, affiliated investment funds, affiliated investment vehicles, affiliated investment managers, affiliated investment management companies, member firms, corporations, parents, subsidiaries, divisions, affiliates, associated entities, stockholders, principals, officers, directors, managing directors, members, managers, predecessors, predecessors-in-interest, successors, successors-in-interest, assigns, bankers, underwriters, brokers, dealers, lenders, attorneys, insurers, co-insurers, re-insurers, and associates of each and all of the foregoing.

33. "Releasors" means Plaintiffs and, by operation of law, the members of the Settlement Class, collectively (each a Releasor), including, without limitation, their respective past, present, and future partners; estates; beneficiaries; distributees; foundations; fiduciaries; investment funds; investment vehicles; investment managers; trusts; trustees; receivers; principals; members; owners; parents; subsidiaries; affiliates; heirs; executors; administrators; representatives; predecessors; predecessors-in-interest; successors; successors-in-interest; transferees; assigns; joint venturers; subcontractors; agents; attorneys; insurers, co-insurers, reinsurers; and subrogees, as well as all of their respective past, present, and future officers; directors; employees; members; partners; principals; unitholders; shareholders; and owners; and all their respective heirs; executors; administrators; personal representatives; predecessors;

successors; transferees; and assigns; and any and all Persons or corporate entities in privity with them or acting in concert with any of them acting in their capacities as such.

34. "Settlement" means the compromise and settlement contemplated by this Stipulation.

35. "Settlement Class" or "Class" means all Persons who purchased or otherwise acquired units in Hi-Crush during the Class Period. Excluded from the Class are any and all Defendants and former defendants in this Action, including but not limited to the Individual Defendants and the Underwriter Defendants, the current or former officers and directors of the Partnership, members of the Individual Defendants' immediate families, and any Person, firm, trust, corporation, officer, director, or other individual or entity in which any Defendant has, had, or will have a controlling interest or which is related to or affiliated with, through ownership of a controlling interest or common ownership of a controlling interest, any Defendant; also excluded from the Class are the legal representatives, heirs, administrators, successors-in-interest, or assigns of any such excluded party. Also excluded from the Settlement Class are any Persons who exclude themselves by submitting a request for exclusion in accordance with the requirements set forth in the Notice.

36. "Settlement Hearing" means a hearing to be held by the District Court on notice to the Settlement Class, to consider approval of the Settlement, the Plan of Allocation, and the Fee and Expense Application.

37. "Settling Parties" means Plaintiffs, on behalf of themselves and the Settlement Class Members, and Defendants.

38. "Summary Notice" means the Summary Notice, which is to be published in the form attached hereto as Exhibit A-2.

39. "Underwriter Defendants" shall have the same meaning given in the Amended Complaint.

40. "Unknown Claims" means any claim that Plaintiffs or any members of the Settlement Class does not know or suspect exists in his, her, or its favor at the time of the release of the Released Claims as against the Released Parties, including, without limitation, those claims which, if known, might have affected the decision to enter into the Stipulation. With respect to any of the Released Claims, the Parties stipulate and agree that upon final approval of the Settlement, Plaintiffs shall expressly and each member of the Settlement Class shall be deemed to have waived, relinquished, and released any and all provisions, rights, and benefits conferred by or under California Civil Code § 1542 or any law of the United States or any state of the United States, or principle of common law, which is similar, comparable, or equivalent to California Civil Code § 1542, which provides:

> A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.

Plaintiffs acknowledge, and the members of the Settlement Class by operation of law shall be deemed to have acknowledged, that they may discover facts in addition to or different from those now known or believed to be true with respect to the Released Claims, but that it is the intention of Plaintiffs, and by operation of law the members of the Settlement Class, to completely, fully, finally, and forever extinguish any and all Released Claims, known or unknown, suspected or unsuspected, which now exist, or previously existed, or may hereafter exist, and without regard to the subsequent discovery of additional or different facts. Plaintiffs acknowledge, and the members of the Settlement Class by operation of law shall be deemed to have acknowledged, that the inclusion of Unknown Claims in the definition of Released Claims was separately

bargained for, was a material element of the Settlement, and was relied upon by each and all of the Defendants in entering into the Stipulation of Settlement.

B. TERMS AND CONDITIONS

Class Certification

41. Solely for purposes of the Settlement and for no other purpose, each of the Settling Parties stipulates and agrees to: (a) certification of the Action as a class action pursuant to Rules 23(a) and 23(b)(3) of the Federal Rules of Civil Procedure on behalf of the Settlement Class; (b) certification of the Plaintiffs as class representatives son behalf of the Settlement Class; and (c) appointment of Lead Counsel as lead counsel for the Settlement Class pursuant to Rule 23(g) of the Federal Rules of Civil Procedure.

Gross Settlement Fund

42. In full settlement of any and all Released Claims, Defendants shall cause the amount of $3,800,000 (the "Settlement Amount") to be paid into the Escrow Account in accordance with the terms of this Stipulation; however, it is expressly understood that Hi-Crush intends to have third-party insurers effect the payment of the Settlement Amount without requiring any Defendant to contribute towards the Settlement Amount.

43. The payment of the Settlement Amount set forth in Paragraph 42 shall be made within thirty days following the satisfaction of each of the following requirements: (i) receipt of payee information for the Escrow Account including the name, tax identification number, and receipt of a properly executed W-9 form for the Escrow Account; and (ii) the issuance by the District Court of the Preliminary Approval Order.

44. Lead Counsel shall cause the Gross Settlement Fund to be invested in short-term United States Agency or Treasury Securities (or a mutual fund invested solely in such instruments), or in a fully United States Government-insured account, and shall reinvest the

proceeds as they mature, except that any residual cash balances of $250,000 or less may be deposited in an account that is fully insured by the FDIC. In the event that the yield on securities identified herein is negative, in lieu of purchasing such securities, all or any portion of the Gross Settlement Fund held by the Escrow Agent may be deposited in a non-interest bearing account that is fully insured by the FDIC. The Released Parties shall not have any responsibility or liability whatsoever for investment decisions with respect to the funds held in the Escrow Account.

45. All settlement funds held pursuant to this Stipulation shall be deemed and considered to be in the legal custody of the District Court until such time as those funds are distributed pursuant to this Stipulation or further order(s) of the District Court.

46. The Settling Parties agree that immediately upon transfer of the Gross Settlement Fund to the Escrow Account, the Gross Settlement Fund is intended to be and shall be a Qualified Settlement Fund within the meaning of Treasury Regulation §1.468B-1 and that the Escrow Agent, as administrator of the Escrow Account within the meaning of Treasury Regulation § 1.468B-2(k)(3), shall be responsible for filing or causing to be filed all informational and other tax returns as may be necessary or appropriate (including, without limitation, the returns described in Treasury Regulation § 1.468B-2(k)) for the Settlement Fund and paying from the Escrow Account any taxes owed with respect to the Settlement Fund. Such tax returns shall be consistent with the terms herein and in all events shall reflect that all taxes on the income earned by the Settlement Fund shall be paid out of the Settlement Fund. Lead Counsel, or their agents, shall also timely pay taxes and tax expenses out of the Settlement Fund, and are authorized to withdraw, without prior order of the Court, from the Escrow Account amounts necessary to pay taxes and tax expenses. All taxes arising with respect to the income

earned by the Settlement Fund, including any taxes or tax treatments that may be imposed upon the Defendants with respect to any income earned by the Settlement Fund for any period during which the Settlement Fund does not qualify as a "qualified settlement fund" for federal or state income tax purposes and any expenses and costs incurred in connection with the payment of taxes pursuant to this paragraph (including without limitation, expenses of tax attorneys and/or accountants and mailing, administration and distribution costs and expenses relating to the filing or the failure to file all necessary or advisable tax returns), shall be paid out of the Settlement Fund. The Defendants shall not have any liability or responsibility for the taxes or any tax expenses.

47. This is not a claims-made settlement and, if all conditions under the Stipulation are satisfied and the final approval of the District Court is given, no consideration will be returned to the parties contributing to the Gross Settlement Fund for any reason, including without limitation, the number of Proofs of Claim filed, the collective amount of Recognized Losses of Authorized Claimants, the percentage of recovery of losses, or the amounts to be paid to Authorized Claimants from the Net Settlement Fund.

48. The settlement claims process will be administered by the Claims Administrator under Lead Counsel's supervision and subject to the jurisdiction of the Court. Defendants will have no involvement in reviewing or challenging claims in connection with that process.

49. Apart from causing payment of the agreed amounts into the Gross Settlement Fund, as described in Paragraphs 42 and 43 neither Defendants nor Defendants' Counsel shall have any responsibility for the administration of the Settlement, including, but not limited to, the processing of claims, determination of the claimants entitled to participate in the distribution of

the Net Settlement Fund, making any payments to the Claims Administrator, or determination as to the amounts to be distributed to Authorized Claimants.

Notice Pursuant to the Class Action Fairness Act

50. Pursuant to the Class Action Fairness Act ("CAFA"), 28 U.S.C. § 1711, *et seq.*, no later than ten (10) calendar days after this Stipulation is filed with the Court, Hi-Crush shall cause to be served notice of the Settlement upon the "Appropriate State Official" and "Appropriate Federal Official," as those terms are defined by CAFA, 28 U.S.C. § 1715(a). Hi-Crush shall also cause a copy of such notice as well as proof of service of such notice to be provided to Lead Counsel.

Allocation of the Net Settlement Fund to Authorized Claimants

51. In order to distribute the Net Settlement Fund fairly among the members of the Settlement Class, Lead Counsel has determined, in consultation with an expert, that the Net Settlement Fund shall be distributed to Authorized Claimants on a pro rata basis, with each Authorized Claimant receiving an amount equal to the proportion of his/her/its Recognized Loss to the aggregate Recognized Loss of all Authorized Claimants (except as provided in Paragraph 65). In no case shall an Authorized Claimant receive an amount in excess of his/her/its total Recognized Loss.

52. Each Authorized Claimant's Recognized Loss shall be determined in accordance with the Plan of Allocation.

53. It is understood and agreed that any proposed Plan of Allocation or any adjustment of an Authorized Claimant's Recognized Loss is not a part of this Stipulation and is to be considered by the District Court separately from its consideration of the fairness, reasonableness, and adequacy of the Settlement, and that any order or proceeding relating to the Plan of Allocation, or any appeal from any order relating thereto or reversal or modification

thereof, shall not operate to terminate or cancel this Stipulation or affect the finality of the District Court's judgments approving this Stipulation and the Settlement, or any other order entered pursuant to this Stipulation.

54. No Person shall have any claim against Plaintiffs and Plaintiffs' Counsel, the Claims Administrator, or any other agent designated by Plaintiffs' Counsel based on distributions made substantially in accordance with this Stipulation, the Plan of Allocation, or further order(s) of the District Court. No Person shall have any claims against Defendants or Defendants' Counsel based on any distributions, including, without limitation, distributions made pursuant to this Stipulation, to the Plan of Allocation, or pursuant to further order(s) of the District Court. Further, Defendants shall have no obligation or responsibility whatsoever with respect to the distribution and/or allocation of the Net Settlement Fund or any attorneys' fees and expenses awarded by the District Court pursuant to this Stipulation.

55. Unless a potential claimant has elected to be excluded from the proposed Settlement Class, Settlement Class Members who do not submit an acceptable Claim Form, as more fully set forth below, or whose claims, in whole or in part, are not deemed approved, will not share in the Net Settlement Fund. Notwithstanding, these Persons described in the preceding sentence shall still be bound by the terms and conditions of this Stipulation, and will be forever barred from prosecuting the Released Claims in this Consolidated Action or in any other proceeding.

Administering Claims of Authorized Claimants

56. Any member of the Settlement Class who has not excluded himself, herself, or itself from the Settlement Class shall be treated as an Authorized Claimant for purposes of this Stipulation if that Settlement Class Member satisfies the following conditions:

a. In order to be treated as an Authorized Claimant, a member of the Settlement Class must return to the Claims Administrator a Claim Form substantially in the form of Exhibit A-3 annexed hereto. Said Claim Form shall include a release of all Released Claims against all Released Parties, as set forth herein.

b. The determination of whether a potential claimant is an Authorized Claimant is within the discretion of the Claims Administrator.

57. The Claims Administrator shall retain all Claim Forms and shall, upon request, provide copies to the District Court and to the Defendants.

58. The Claims Administrator shall administer the process of receiving, reviewing, and approving or denying Claims under Lead Counsel's supervision and subject to the jurisdiction of the District Court. Other than Hi-Crush's obligation to use reasonable efforts to assist Lead Counsel in obtaining the Partnership's transfer records, as provided herein, Defendants and Defendants' Counsel shall have no responsibility whatsoever for the administration of the Settlement or the claims process and shall have no liability whatsoever to any Person, including, but not limited to, Plaintiffs, Plaintiffs' Counsel, or any other Settlement Class Member (including their respective attorneys or agents) in connection with such administration. However, and without conferring any responsibility or liability for the administration of the Settlement, Defendants agree that they will cooperate in the administration of the Settlement to the extent reasonably necessary to effectuate its terms.

59. The Claims Administrator shall receive Claims and determine first, whether the Claim is a valid Claim, in whole or part, and second, each Authorized Claimant's *pro rata* share of the Net Settlement Fund based upon each Authorized Claimant's Recognized Loss compared to the total Recognized Losses (as defined in the Plan of Allocation) of all Authorized Claimants.

60. The Plan of Allocation proposed in the Notice 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 District Court. Lead Plaintiffs and Lead Counsel may not cancel or terminate the Stipulation or the Settlement based on any court's ruling with respect to the Plan of Allocation, any modification made to the Plan of Allocation, or the application of any other plan of allocation as may be ordered by the District Court in the Consolidated Action. No Defendant shall have any involvement in, or responsibility or liability whatsoever for the Plan of Allocation or the allocation of the Net Settlement Fund.

61. Any Settlement Class Member who does not submit a valid Claim Form will not be entitled to receive any distribution from the Net Settlement Fund, but will otherwise be bound by all of the terms of this Stipulation and the Settlement, including, without limitation, the terms of the Judgment and the releases provided for therein (as well as the releases contained in this Stipulation), and will be permanently barred and enjoined from bringing any action, claim, or other proceeding of any kind against any Released Party concerning any Released Claim.

62. Lead Counsel shall be responsible for supervising the administration of the Settlement and disbursement of the Net Settlement Fund. No Defendant, or any other Released Party shall have any liability, obligation, or responsibility whatsoever for the administration of the Settlement or disbursement of the Net Settlement Fund. No Defendant or any other Released Party shall be permitted to review, contest, or object to any Claim Form or any decision of the Claims Administrator or Lead Counsel with respect to accepting or rejecting any Claim Form or Claim for payment by a Settlement Class Member. Lead Counsel shall have the right, but not the obligation, to waive what it deems to be formal or technical defects in any Claim Forms submitted in the interests of achieving substantial justice.

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

a. Each Settlement Class Member shall be required to submit a Claim Form, 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 Claim Forms must be submitted by the date set by the District Court in the Preliminary Approval Order and specified in the Notice, unless such deadline is extended by order of the District Court. Any Settlement Class Member who fails to submit a Claim Form by such date shall be forever barred from receiving any distribution from the Net Settlement Fund or payment pursuant to this Stipulation (unless, by order of the District Court, late-filed Claim Forms are accepted), but shall in all other respects be bound by all of the terms of this Stipulation and the Settlement, including, without limitation, the terms of the Judgment and the releases provided for therein (as well as the releases contained in this Stipulation), and will be permanently barred and enjoined from bringing any action, claim, or other proceeding of any kind in any court or tribunal against any Released Party concerning the Released Claims. Provided that it is received before the motion for the Class Distribution Order is filed, a Claim Form shall be deemed to be submitted when posted, if received with a postmark indicated on the envelope and if mailed by first-class mail and addressed in accordance with the instructions thereon. In all other cases, the Claim Form shall be deemed to have been submitted when actually received by the Claims Administrator;

c. Each Claim Form shall be submitted to and reviewed by the Claims Administrator, under the supervision of Lead Counsel. The Claims Administrator shall determine in accordance with this Stipulation the extent, if any, to which each Claim shall be allowed, subject to review by the District Court pursuant to subparagraph (e) below;

d. Claims that do not meet the submission requirements may be rejected. Prior to rejecting a Claim in whole or in part, the Claims Administrator shall communicate with the Claimant in writing, in order to give the Claimant the chance to remedy any curable deficiencies in the Claim Form submitted. The Claims Administrator, under supervision of Lead Counsel, shall notify, in a timely fashion and in writing, all Claimants whose Claim the Claims Administrator proposes to reject in whole or in part, 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 District Court if the Claimant so desires and complies with the requirements of subparagraph (e) below;

e. if any Claimant whose Claim has been rejected in whole or in part desires to contest such rejection, the Claimant must serve upon the Claims Administrator a written 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 District Court. If a dispute concerning a Claim cannot otherwise be resolved, Lead Counsel shall thereafter present the request for review to the District Court; and

f. The administrative determinations of the Claims Administrator accepting and rejecting Claims shall be presented to the District Court, on written notice to Defendants' Counsel, for approval by the District Court in the Class Distribution Order.

64. Each Claimant shall be deemed to have submitted to the jurisdiction of the District Court with respect to the Claimant's Claim, and the Claim will be subject to investigation and discovery under the Federal Rules of Civil Procedure; *provided*, *however*, that such investigation and discovery shall be limited to that Claimant's status as a Settlement Class Member and the validity and amount of the Claimant's Claim. No discovery shall be allowed on the merits of the Consolidated Action or this Settlement in connection with the processing of Claim Forms.

65. If there is any balance remaining in the Net Settlement Fund six months from the date of distribution of the Net Settlement Fund by reason of un-cashed distributions or otherwise, then, after the Claims Administrator has made reasonable efforts to have Authorized Claimants cash their distributions, and it is economically feasible, any balance remaining in the Net Settlement Fund shall be redistributed to Authorized Claimants who have cashed their initial distributions and who would receive at least $10.00 from such redistribution after the payment of any taxes and unpaid costs or fees incurred in administering the Net Settlement Fund for such redistribution. Lead Counsel shall, if feasible, continue to reallocate any further balance remaining in the Net Settlement Fund after the redistribution is completed among Settlement Class Members in the same manner and time frame as provided for above. In the event that Lead Counsel determines that further redistribution of any balance remaining (following the initial distribution and redistribution) is no longer feasible, thereafter Lead Counsel shall donate the remaining funds, if any, to a non-sectarian, not-for-profit 501(c)(3) organization serving the public interest, to be designated by Lead Counsel and approved by the District Court.

66. Lead Counsel will apply to the District Court, on written notice to Defendants, for a Class Distribution Order: (i) approving the Claims Administrator's administrative

determinations concerning the acceptance and rejection of the Claims submitted; (ii) approving payment of any fees and expenses associated with the administration of the Settlement from the Settlement Fund; and (iii) if the Effective Date has occurred, directing payment of the Net Settlement Fund to Authorized Claimants from the Escrow Account.

67. Payment pursuant to the Class Distribution Order shall be final and conclusive as to all Settlement Class Members. All Settlement Class Members whose Claims are not approved by the District Court shall be barred from participating in distributions from the Net Settlement Fund. Whether or not a Settlement Class Member submits a Claim, or any Claim is not allowed either in whole or in part, all Settlement Class Members shall be bound by all of the terms of this Stipulation and the Settlement, including, without limitation, the terms of the Judgment and the releases provided for therein and herein, and will be permanently barred and enjoined from bringing any action, claim, or other proceeding against any and all Released Parties concerning any Released Claims. No Authorized Claimant shall have any claim against Lead Plaintiffs, Defendants, any of their counsel, or any Released Party based on the distributions made substantially in accordance with this Stipulation and/or orders of the Court. Except as otherwise provided, Lead Plaintiffs, Defendants, their respective counsel, and the Released Parties shall have no responsibility 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 nonperformance of the Claims Administrator, the payment or withholding of taxes owed by the Settlement Fund, or any losses incurred in connection therewith.

68. All proceedings with respect to the administration, processing, and determination of Claims 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 District Court.

Order of Preliminary Approval of Settlement

69. As soon as practicable, the Settling Parties shall jointly apply to the District Court for the entry of a Preliminary Approval Order, substantially in the form attached hereto as Exhibit A. The Preliminary Approval Order shall preliminarily approve the Settlement, provide for mailing of the Notice and Claim Form to the members of the Settlement Class, direct the publication of the Summary Notice, schedule the Settlement Hearing, provide that any member of the Settlement Class who wishes to be excluded from the Settlement Class shall notify the Claims Administrator by a date certain to be fixed by the District Court (the "Opt-Out Deadline") of his/her/its intention to be excluded from the Settlement Class, and address other matters referred to therein.

70. Any Settlement Class Member who wishes to be excluded from the Settlement Class must mail such request and have it post-marked by the Opt-Out Deadline, by first-class mail to the address specified in the Notice. The request for exclusion must be signed by such Person or his, her, or its authorized representative and shall include: (a) the name, address, and telephone number of the Person requesting exclusion; (b) the number of Units the Person purchased or acquired during the Class Period along with the dates and prices of such purchase(s) or acquisition(s), and the number of units the Person sold during the Class Period along with the dates and prices of such sales; and (c) a statement that the Person wishes to be excluded from the Settlement Class. A request for exclusion shall not be effective unless it provides all the required information and is post-marked within the time stated above, or is otherwise accepted by the Court. Any Settlement Class member who fails to timely or properly opt-out, or whose request to opt out is not otherwise accepted by the Court, shall be deemed a

Class Member, and shall be deemed by operation of law to have released all Released Claims against the Released Parties.

Final Judgment to be Entered

71. If the District Court approves the Settlement, the Settling Parties shall jointly request that the District Court enter the Final Approval Order substantially in the form attached hereto as Exhibit B. The Final Approval Order shall include, at least, provisions: (a) directing consummation of the Settlement; (b) confirming certification of the Settlement Class for settlement purposes; (c) approving the terms and conditions of the Stipulation; (d) providing for the payment of Plaintiffs' Counsel's attorneys' fees and expenses; (e) reserving jurisdiction over the effectuation of the Settlement; (f) barring and enjoining the Releasors from prosecuting any Released Claims in the Consolidated Action or any other action or proceeding; (g) dismissing the Consolidated Action with prejudice; and (h) releasing any and all of Released Defendants' Claims as against Plaintiffs and the Settlement Class.

Settlement Administration

72. Once the Settlement Amount has been deposited into the Escrow Account, Lead Counsel shall cause up to $150,000 to be transferred from the Escrow Account to an account to be used for the payment of reasonable out-of-pocket costs paid or incurred in connection with the administration of the Settlement, including but not limited to:

a. Printing and mailing the Notice and Claim Form to members of the Settlement Class;

b. Costs to reimburse brokers or nominees in connection with dissemination of the Notice and Claim Form to members of the Settlement Class who were beneficial owners of Units;

c. Publication of the Summary Notice;

d. Costs associated with the investment, maintenance, or administration of the Gross Settlement Fund and the Net Settlement Fund;

e. Taxes on the Gross Settlement Fund and the Net Settlement Fund, as well as costs of preparing and filing related tax returns; and

f. Costs associated with the processing and administration of Claims.

73. Lead Counsel and/or the Claims Administrator shall maintain accurate records of all expenditures and out-of-pocket costs incurred in connection with the administration of the Settlement that are paid or incurred from the Gross Settlement Fund.

74. After ten business days following the Effective Date, Lead Counsel shall have the authority and the obligation to cause distributions from the Net Settlement Fund to be made to Authorized Claimants pursuant to the terms and conditions of this Stipulation. Under no circumstances shall any distribution from the Net Settlement Fund be made prior to the Effective Date.

75. The administration and disposition of the Gross Settlement Fund shall be the responsibility of Lead Counsel and the Claims Administrator in accordance with the terms and conditions herein; *provided*, *however*, the Partnership shall make reasonable efforts to assist Lead Counsel in obtaining the Partnership's transfer records, in electronic form (if available, and at no cost to the Gross Settlement Fund, Lead Counsel, or the Claims Administrator), in order to identify and provide notice to the Settlement Class. Lead Counsel shall cause the Claims Administrator to mail the Notice and Claim Form to the members of the Settlement Class at the address of each such Person as set forth in the records of Hi-Crush or its transfer agent (to the extent that such records are available and can be obtained with reasonable effort) or who otherwise may be identified through further reasonable effort. Lead Counsel also shall cause the

Summary Notice to be published pursuant to the terms of the Preliminary Approval Order or in whatever other form or manner might be ordered by the District Court.

76. Neither the Defendants nor Defendants' Counsel shall have any responsibility, liability, or obligation for the administration or disposition of the Gross Settlement Fund or for any taxes or expenses owed in connection with the Gross Settlement Fund.

77. The Gross Settlement Fund shall at all times be treated as being one or more qualified settlement funds within the meaning of IRC § 468B and Treasury Regulation § 1.468B-1. All funds and property in the Gross Settlement Fund, until distributed therefrom, shall be subject to the continuing jurisdiction of the District Court. In addition, Lead Counsel or their duly appointed agent(s) shall comply with IRC § 468B and the regulations promulgated thereunder, and shall keep proper books and records of all transactions, file informational or other tax returns necessary to report income earned by the Gross Settlement Fund as and when legally required (including, without limitation, the returns described in Treasury Regulation § I.46813-2(k)), make all federal, state, and local tax payments due on such income, and make the following election as is necessary or advisable to carry out the provisions of this paragraph: the "relation-back election" (as defined in Treasury Regulation § 1.468B-1) back to the earlier permitted date. Such election shall be made in compliance with the procedures and requirements contained in such regulation. Such tax returns and elections described above shall reflect that all taxes (including any interest or penalties) on the income earned by the Gross Settlement Fund ("Taxes") shall be paid out of the Gross Settlement Fund.

78. All (i) Taxes and (ii) expenses and costs incurred in connection with the Gross Settlement Fund (including, without limitation, expenses of tax attorneys and accountants and costs and expenses relating to filing the returns described in the preceding paragraph (together,

"Tax Expenses")) and the distribution of the Net Settlement Fund shall be paid from the Gross Settlement Fund. Defendants, Plaintiffs, members of the Settlement Class, and their respective counsel shall have no responsibility to pay such Tax Expenses. Further, Taxes and the Tax Expenses shall be treated as, and considered to be, a cost of administration of the Settlement and shall be timely paid out of the Gross Settlement Fund without prior order from the District Court, and Lead Counsel or their duly appointed agent(s) 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(1)(2)).

Releases

79. As of the Effective Date, the Releasors shall grant full and complete discharge, dismissal with prejudice, settlement and release of, and agree to be barred by a permanent injunction from the assertion of, Released Claims against any of the Released Parties and their attorneys. In furtherance of such intention, Plaintiffs, as individuals and as representatives of the Settlement Class, and, by operation of law, all members of the Settlement Class, hereby acknowledge that this release shall be a full and complete release of the Released Claims, notwithstanding the subsequent discovery or existence of any additional or different facts.

80. As of the Effective Date, each Defendant, on behalf of himself, herself or itself, his, her or its heirs, executors, administrators, predecessors, successors and assigns, shall grant full and complete discharge, dismissal with prejudice, settlement and release of, and agree to be barred by a permanent injunction from the assertion of Released Defendants' Claims against Plaintiffs, Plaintiffs' Counsel, and the other members of the Settlement Class and their respective counsel. In furtherance of such intention, Defendants hereby acknowledge that this release shall

be a full and complete release of the Released Defendants' Claims, notwithstanding the subsequent discovery or existence of any additional or different facts.

81. Notwithstanding the provisions of Paragraphs 31 and 79 hereof, in the event that any of the Released Parties asserts any claim that is a Released Defendants' Claim against Plaintiffs, Plaintiffs' Counsel, and the other members of the Settlement Class or their respective counsel, then such Plaintiffs and their counsel, or the other members of the Settlement Class or their respective counsel, shall be entitled to use and assert such factual matters included within the Released Claims only against that Released Party in defense of such claim, but not for the purposes of affirmatively asserting any claim against any Released Party.

82. The Claim Form to be executed by members of the Settlement Class shall release all Released Claims against the Released Parties and shall be substantially in the form of Exhibit A-3 hereto. Members of the Settlement Class who do not file a Claim Form and Release shall be deemed by operation of law to have released all Released Claims against the Released Parties.

Attorneys' Fees and Expenses

83. Lead Counsel intends to apply to the District Court for an award to be paid from the Gross Settlement Fund of (i) attorneys' fees in the amount of 33 1/3% of the Gross Settlement Fund, and (ii) reimbursement of out-of-pocket costs and disbursements incurred in connection with the Consolidated Action. Defendants shall have no responsibility for any payment of attorneys' fees and expenses to Plaintiffs' Counsel. The Fee and Expense Award shall be the only award of attorneys' fees or costs paid to Plaintiffs, Plaintiffs' Counsel, or any counsel purporting to represent a member of the Settlement Class in connection with the Settlement. Defendants and the Released Parties shall have no liability or responsibility for the allocation among Plaintiffs' Counsel of any fee and expense award that the District Court may make, and Defendants and the Released Parties take no position with respect to such matters. It

shall be the sole responsibility and obligation of Lead Counsel to allocate attorneys' fees among Plaintiffs' Counsel, in accordance with their judgment as to each firm's contribution to the prosecution and settlement of the Consolidated Action.

84. Any attorneys' fees and costs awarded to Plaintiffs' Counsel by the District Court shall be withdrawn from the Escrow Account and paid to Lead Counsel out of the Gross Settlement Fund immediately upon award, notwithstanding the existence of any timely filed objections thereto, or potential for appeal therefrom, or collateral attack on the Settlement or any part thereof. Payment of a Fee and Expense Award shall be subject to the obligation of Plaintiffs' Counsel to repay all amounts received, plus accrued interest at the rate paid on the Escrow Account, if and when, as a result of any appeal and/or further proceedings on remand, or successful collateral attack, the Fee and Expense Award is reduced or the approval of the Settlement is reversed. The Settling Parties agree that approval and consummation of the Settlement shall not be delayed by any dispute that may arise over any Fee and Expense Application, and Defendants shall not take any position on any such application. The Settling Parties further agree that the denial, in whole or in part, of any Fee and Expense Application shall in no way affect the enforceability, validity, or finality of the Settlement.

85. The procedure for and the allowance or disallowance by the District Court of any applications by Lead Counsel for attorneys' fees and expenses, including the fees of experts and consultants, to be paid out of the Gross Settlement Fund, are not part of the Settlement set forth in this Stipulation, and are to be considered by the District Court separately from the District Court's consideration of the fairness, reasonableness, and adequacy of the Settlement, and the District Court's consideration of Lead Counsel's Fee and Expense Application, or any order or proceeding relating to the Fee and Expense Application or the Fee and Expense Award, or any

appeal from any order relating thereto or reversal or modification thereof, shall not operate to terminate or cancel this Stipulation, or affect or delay the entry of the Preliminary Approval Order and/or the entry or finality of the Final Approval Order.

86. In the event that the order or judgment awarding the Fee and Expense Award is reversed or modified on appeal, and in the event that the Fee and Expense Award has been paid to any extent, then Lead Counsel shall, within thirty days from receiving notice from a court of appropriate jurisdiction, refund to the Gross Settlement Fund the fees, expenses, costs, and interest previously paid to them to the extent necessary to comply with the relevant court order, plus accrued interest for the period of time the Fee and Expense Award has been paid at the rate paid on the Escrow Account.

Supplemental Agreement

87. Concurrently with the execution of this Stipulation, Plaintiffs and Defendants, through their respective counsel, are executing a "Supplemental Agreement," the substance of which provides that Defendants shall, at their sole and absolute discretion, have the right to withdraw from or terminate this Settlement if potential members of the Settlement Class who purchased in the aggregate an amount equal to or greater than a certain number of Units on the public markets during the Class Period (as set forth in the Supplemental Agreement) elect to exclude themselves from the Settlement Class. In this regard, it is understood and agreed that Units that were not offered publicly shall not be included in the threshold level at which the termination provision is triggered. If Defendants decide to terminate this Settlement because members of the Settlement Class who purchased the requisite number of units specified in the Supplemental Agreement request exclusion from the Settlement Class, they must notify Lead Counsel of their intent to do so no later than seven business days before the Settlement Hearing. The Supplemental Agreement shall not be filed with the Court, unless the Court otherwise

directs, and its terms shall not be disclosed in any other manner (other than the statements herein and in the Notice). The Settling Parties will keep the terms of the Supplemental Agreement confidential except as provided in the Supplemental Agreement. 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 Supplemental Agreement submitted to the Court *in camera*. In the event of termination of this Settlement pursuant to the Supplemental Agreement, this Stipulation and the Settlement shall become null and void and of no further force and effect and the provisions of Paragraphs 90–96 of this Stipulation shall apply.

Terms of the Judgment

88. If the Settlement contemplated by this Stipulation is approved by the District Court, Lead Counsel and Defendants' Counsel shall jointly request that the District Court enter a Judgment substantially in the form annexed hereto as Exhibit B. The following bar order provision shall be included, in substantially the following form, in the Judgment.

> Pursuant to the PSLRA, 15 U.S.C. § 78u-4(1)(7)(A), and applicable law, upon the Effective Date any and all claims, actions, allegations, causes of action, demands, or rights, however denominated and whether presently known or unknown, seeking contribution as that term is defined for purposes of the PSLRA or other law, or seeking indemnification for claims arising under the federal securities laws or for state law claims arising out of or related to the actions underlying the claims in the Consolidated Action, brought by any against the Defendants are hereby barred and discharged.

Stay Pending District Court Approval

89. Pending entry of the final approval of the Settlement and this Stipulation by the District Court, Plaintiffs agree to stay all proceedings relating to the Settlement Class in the Consolidated Action and to stay and not to initiate any other proceedings other than those incident to the Settlement itself and, if necessary, request and stipulate that the District Court enter an order staying the Consolidated Action on the above terms.

Termination of Stipulation

90. In the event that: (i) the District Court declines to enter the Preliminary Approval Order in any material respect; (ii) this Stipulation or the Settlement is not finally approved by the District Court; (iii) the District Court declines to enter the Final Approval Order in any material respect; (iv) the Final Approval Order is modified or reversed in any material respect on appeal; or (v) Defendants withdraw from the Settlement pursuant to the terms of the Supplemental Agreement, then any Settling Party shall have the right to terminate (hereinafter a "Termination"), the Settlement and this Stipulation by providing written notice of its or their intention to do so to the other Settling Parties to the Stipulation within thirty days of any of the foregoing. In the event of a Termination, this Stipulation shall be deemed null and void, and shall have no further force and effect with respect to any Settling Party, and neither this Stipulation nor the settlement negotiations that led to the execution of this Stipulation shall he used or referred to in any action or proceeding for any purpose, except for the refund of any amounts remaining in the Gross Settlement Fund (as provided below) to the parties who contributed to the Gross Settlement Fund.

91. In the event that Termination pursuant to Paragraph 90 occurs after the Fee and Expense Award is paid to any extent, Lead Counsel shall, within thirty days of Termination refund to the Gross Settlement Fund the fees, expenses, costs, and interest previously paid to them, plus accrued interest for the period of time the Fee and Expense Award has been paid at the rate paid on the Escrow Account.

92. In the event of a Termination, the costs of notice and settlement administration expended or incurred prior to that Termination, as well as any and all reasonable actual out-of-pocket costs resulting from providing notice of such Termination to the Settlement Class if the District Court requires such notice, shall be paid first from the $150,000 previously provided in

Paragraph 72 and then, if more than $150,000 has been expended or incurred before the Termination, from the Gross Settlement Fund.

93. After any Fee and Expense Award is repaid pursuant to Paragraph 83, and after any costs are paid in accordance with Paragraph 84, any amount thereafter remaining in the Gross Settlement Fund, shall be repaid to the Persons or entities who issued the check to the Escrow Account for the Settlement Amount.

94. In the event of a Termination, the Consolidated Action shall thereupon revert to its status prior to its status on June 25, 2014 and shall proceed as if this Stipulation and related orders and papers had not been executed, and the Settling Parties shall cooperate in seeking appropriate extensions of the deadlines in the Consolidated Action so that the Settling Parties have adequate time to file pleadings and other papers.

95. If any Settling Party exercises his or its right to withdraw from the Settlement pursuant to the terms of this Stipulation, the Settling Party exercising his or its right to withdraw from the Settlement shall provide written notice to counsel for each of the other Settling Parties that are signatories to this Stipulation and to the District Court. Such notice shall be made the same day, by facsimile and overnight mail, by the Settling Party that exercises his or its right to withdraw from, and thereby terminate, the Settlement. Unless otherwise provided, the notice provisions in this paragraph shall govern all notice effectuated with respect to this Stipulation and any and all documents referenced therein or attached thereto. Notice shall be provided as follows:

If to Plaintiffs:

Kirby McInerney, LLP
825 Third Avenue, 16th Floor
New York, NY 10022
Telephone: (212) 371-6600
Facsimile: (212) 751-2540
Attn: Ira M. Press

Thomas W. Elrod
Beverly T. Mirza

If to Defendants:

Vinson & Elkins L.L.P.
2001 Ross Avenue, Suite 3700
Dallas, Texas 75201
Telephone: (214) 220-7700
Facsimile: (214) 220-7716
Attn: Michael C. Holmes

96. No order of the District Court, or modification or reversal on appeal of any order of the District Court, concerning the Plan of Allocation or the amount of any attorneys' fees, interest, or costs or expenses awarded to Plaintiffs' counsel, shall constitute grounds for cancellation or termination of this Stipulation.

No Admission of Wrongdoing

97. Defendants expressly deny liability with respect to any and all of the allegations in the Consolidated Action. This Stipulation, any and all documents referred to in this Stipulation, and any action taken to carry out this Stipulation is not, may not be construed as, or be used as an admission by or against any of the Defendants or any Released Party of any fault, wrongdoing, or liability whatsoever. Neither this Stipulation nor the Settlement set forth herein, nor any act performed or document executed pursuant to or in furtherance of this Stipulation or the Settlement: (i) is, or shall be deemed to be, or shall be used as an admission of any of the Defendants, any Released Parties, or any other Person of the validity of any Released Claims, or any wrongdoing by or liability of any of the Defendants or Released Parties; (ii) is, or shall be deemed to be, or shall be used as an admission of any fault or omission of any of the Defendants or any Released Party in any statement, release, or written documents issued, filed, or made; (iii) shall be offered or received in evidence against any of the Defendants or Released Parties in any civil, criminal, or administrative action or proceeding in any court, administrative agency, or other tribunal other than such proceedings as may be necessary to consummate or enforce this

Stipulation, the Settlement set forth herein, the releases provided pursuant thereto, and/or the Final Approval Order, except that this Stipulation may be filed in this Consolidated Action or in any subsequent action brought against any of the Defendants, their insurers, and/or any of the Released Parties in order to support a defense or counterclaim of any of the Defendants and/or any Released Party of *res judicata*, collateral estoppel, release, good faith settlement, or any theory of claim or issue preclusion or similar defense or counterclaim, including, without limitation, specific performance of the Settlement embodied in this Stipulation as injunctive relief; (iv) shall be construed against the Defendants, Released Parties, Plaintiffs, and members of the Settlement Class as an admission or concession that the consideration to be given hereunder represents the amount which could be or would have been recovered after trial; and (v) shall be construed as or received in evidence as an admission, concession, or presumption against Plaintiffs and members of the Settlement Class or any of them that any of their claims are without merit or that damages recoverable in the Consolidated Action would not have exceeded the Gross Settlement. Fund.

Miscellaneous

98. All of the Exhibits attached hereto are hereby incorporated by reference as though fully set forth herein.

99. The Settling Parties intend this Stipulation, the Supplemental Agreement, and the Settlement to be a final and complete resolution of all disputes between them with respect to the Consolidated Action and the Released Claims. Accordingly, Defendants agree not to assert any claim under Rule 11 of the Federal Rules of Civil Procedure or any similar law, rule or regulation, that the Consolidated Action was brought in bad faith or without a reasonable basis. The Parties to the Stipulation agree that the amount paid and the other terms of the Settlement were negotiated at arm's length and in good faith by the Parties, and reflect a settlement that was

reached voluntarily based upon adequate information and sufficient discovery and after consultation with experience legal counsel, following an extensive mediation conducted by the Mediator. This Stipulation, the Supplemental Agreement, and the Settlement comprise claims which are contested and shall not be deemed an admission by a Settling Party as to the merits of any claim. Defendants expressly deny liability with respect to any and all allegations and claims in the Consolidated Action. Plaintiffs and their counsel will not refer to or assist any other Person in making claims against Defendants or any Released Party for any matters arising in or relating to the Consolidated Action, except as required by law or rule. The Settling Parties agree that the amount of the Gross Settlement Fund and the other terms of the Settlement reflect a good faith settlement of the claims in the Consolidated Action, which has been reached voluntarily after consultation with competent legal counsel.

100. In all public statements (apart from statements made in public documents filed with any court, which statements are relevant to the applicable court proceeding) concerning the Settlement and/or this Stipulation, if any, the Parties (and their counsel) will refer to Defendants Robert E. Rasmus, James M. Whipkey, Laura C. Fulton, and Jefferies V. Alston, III individually or collectively as "Individual Defendant(s)," or alternately, as current or former director(s) or officer(s) of Hi-Crush, without identifying these Defendants by name. The Parties (and their counsel) shall limit all public statements (apart from statements made in public documents filed with any court, which statements are relevant to the applicable court proceeding), if any, concerning the Settlement to a description of the settlement terms and shall not make any public statements (apart from statements made in public documents filed with any court, which statements are relevant to the applicable court proceeding) concerning the merit, or lack thereof, of any of the claims asserted in the Consolidated Action.

101. All counsel executing this Stipulation and any of the Exhibits hereto, the Supplemental Agreement, or any related settlement documents and releases, warrant and represent that they have been duly authorized and empowered to do so by their respective clients and/or by court order.

102. All Settling Parties agree to support and promote the Settlement and to otherwise use their best efforts to obtain all approvals necessary and do all things necessary to effectuate the Settlement and this Stipulation according to its terms, and shall not take actions that are inconsistent with promoting the Settlement. The Settling Parties further represent that this Stipulation is the product of arm's-length negotiation.

103. This Stipulation, the releases contemplated herein, the Supplemental Agreement and all related settlement documents shall be governed and interpreted in accordance with the laws of the State of New York without regard to conflicts of laws principles.

104. By entering into this Stipulation, Plaintiffs and Defendants shall not be deemed to have waived any attorney-client privilege or other privilege, work product protection, or other protection, and all information and documents transmitted between Plaintiffs' Counsel and Defendants' Counsel in connection with this Stipulation and Settlement shall be inadmissible in any proceeding in any federal or state court or other tribunal, or otherwise, in accordance with Rule 408 of the Federal Rules of Evidence as if such rule applied in all respects in any such proceeding or tribunal.

105. This Stipulation, all Exhibits hereto, the releases contemplated herein, the Supplemental Agreement, and all related settlement documents represent the entire agreement between and among the Settling Parties hereto and supersede any prior agreements or understandings between and among the Settling Parties with respect to the subject matter hereof.

106. This Stipulation, all Exhibits hereto, the releases contemplated herein, the Supplemental Agreement, and all related settlement documents may be amended or modified only by a written instrument signed by all Settling Parties to this Stipulation or their successors-in-interest.

107. This Stipulation, the Supplemental Agreement, and all related settlement documents may be executed in one or more counterparts, including by signature transmitted by facsimile or PDF, all of which shall be one and the same instrument and all of which shall be considered duplicate originals.

108. This Stipulation, the releases contemplated herein, the Supplemental Agreement and all related settlement documents shall be binding upon, and inure to the benefit of, the Settling Parties hereto and their respective heirs, insurers, executors, administrators, legal representatives, successors, and assigns.

109. Upon receiving any objections to the Settlement or requests for exclusion pursuant to the Notice, the Claims Administrator shall promptly provide Lead Counsel and Defendants' Counsel copies of those objections to the Settlement or requests for exclusion.

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

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

112. Each of the Parties warrants and represents that he, she or it has not assigned or transferred to any Person any Released Claims, any Released Defendants' Claims, or any other claims related to the matters alleged in the Consolidated Action.

113. 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 the Stipulation is the result of arm's-length negotiations between the Settling Parties, and all Settling Parties have contributed substantially and materially to the preparation of this Stipulation. Each Settling Party hereto has consulted with such Settling Party's own attorneys and fully understands the terms hereof and each Settling Party hereto has received legal advice from such Settling Party's own attorneys regarding the advisability of entering into this Stipulation and is voluntarily executing this Stipulation.

114. The only parties to this Stipulation are the parties identified on page 1 of this Stipulation.

Retention of Jurisdiction

115. Without affecting the finality of the Final Approval Order entered in accordance with this Stipulation, the District Court shall retain jurisdiction over the Consolidated Action for the purpose of allowing, disallowing, or adjusting the claim of any Authorized Claimant on equitable grounds, administering the Settlement, resolving any dispute relating to or arising from this Stipulation, and awarding Lead Counsel attorneys' fees and reimbursing their expenses.

[SIGNATURE PAGE FOLLOWS]

Dated: September 12, 2014

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By: _____

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EXHIBIT A

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

IN RE: HI-CRUSH PARTNERS L.P. SECURITIES LITIGATION	Civil Action No. 12-Civ-8557 (CM)

PRELIMINARY APPROVAL ORDER

WHEREAS, a consolidated class action is pending in this Court, captioned *In re Hi-Crush Partners, L.P. Securities Litigation*, 12 Civ. 8557 (CM) (the "Consolidated Action");

WHEREAS, (i) Lead Plaintiffs HITE Hedge LP and HITE MLP LP (collectively, "Plaintiffs"), on behalf of themselves and the Settlement Class, and (ii) Defendants Hi-Crush Partners LP ("Hi-Crush" or the "Partnership"), Hi-Crush GP LLC ("Hi-Crush GP"), Robert E. Rasmus, James M. Whipkey, Laura C. Fulton, and Jefferies V. Alston, III (collectively, "Defendants") have entered into the Stipulation of Settlement dated September 12, 2014 ("Stipulation"), providing for the settlement of the Consolidated Action[1] and release of all Released Claims and Released Defendants' Claims, which include Unknown Claims, on the terms and conditions set forth in the Stipulation, subject to approval of this Court (the "Settlement");

WHEREAS, the Settling Parties having made an application, pursuant to Federal Rule of Civil Procedure 23(e), for an order preliminarily approving the settlement of the Consolidated Action in accordance with the Stipulation, which, together with the documents referenced therein, sets forth the terms and conditions for the proposed Settlement and dismissal of the claims alleged in the Consolidated Action against the Defendants with prejudice upon the terms and conditions set forth in the Stipulation; and the Court having considered the Stipulation and

[1] All capitalized terms used herein shall have the same meaning as they have in the Stipulation.

the accompanying documents, and all other pleadings herein; and the Parties to the Stipulation having consented to entry of this Order; and

WHEREAS, upon consent of the Settling Parties, after review and consideration of the Stipulation filed with the Court and the Exhibits annexed thereto, and after due deliberation,

IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that:

1. **Preliminary Certification of Settlement Class**. Pursuant to Rule 23 of the Federal Rules of Civil Procedure, and for purposes of the Settlement only, this Consolidated Action is hereby preliminarily certified as a class action with respect to all pending claims, on behalf of a Settlement Class consisting of Plaintiffs and any and all persons or entities that purchased or otherwise acquired Hi-Crush units during the period beginning on and including September 25, 2012 through and including November 12, 2012 (the "Class Period"), including any and all of their respective successors-in-interest, predecessors, legal representatives, trustees, executors, administrators, heirs, assignees, or transferees, immediate and remote, and any person or entity acting for or on behalf of, or claiming under, any of them, and each of them, but excluding Defendants, the officers and directors of the Partnership, members of the Individual Defendants' immediate families, and any Person, firm, trust, corporation, officer, director, or other individual or entity in which any Defendant has, had, or will have a controlling interest or which is related to or affiliated with, through ownership of a controlling interest or common ownership of a controlling interest, Defendants' immediate families, Defendants' legal representatives, heirs, successors, administrators, and assigns.

2. The Court preliminarily finds, for purposes of the Stipulation and the Settlement only, that the prerequisites for a class action under Rules 23(a) and (b)(3) of the Federal Rules of Civil Procedure have been satisfied in that: (a) the number of Settlement Class Members is so

numerous that joinder of all members thereof is impracticable; (b) there are questions of law and fact common to the Settlement Class; (c) the claims of the named representatives are typical of the claims of the Settlement Class they seek to represent; (d) Plaintiffs and Lead Counsel will fairly and adequately represent the interests of the Settlement Class; (e) the questions of law and fact common to the members of the Settlement Class predominate over any questions affecting only individual members of the Settlement Class; and (f) a class action is superior to other available methods for the fair and efficient adjudication of the controversy.

3. Pursuant to Rule 23 of the Federal Rules of Civil Procedure, and for the purposes of the Settlement only, Plaintiffs are provisionally certified as Class Representatives and Lead Counsel is provisionally appointed as counsel for the Settlement Class.

4. **Preliminary Approval of the Settlement**. The Court hereby preliminarily approves the Stipulation, including all Exhibits thereto, and the Settlement set forth therein, and preliminarily finds that the Settlement is sufficiently fair, reasonable, adequate, and adequate for purposes of Rule 23 of the Federal Rules of Civil Procedure, subject to further consideration at the Settlement Hearing to be conducted as described below.

5. **Settlement Hearing**. The Court will hold a settlement hearing (the "Settlement Hearing") on_____ ___, 2014 at ____ a.m. at the Daniel Patrick Moynihan United States Courthouse, 500 Pearl Street, Courtroom 17C, New York, New York, for the following purposes: (a) to determine whether, for settlement purposes only, the Court's preliminary certification of the Settlement Class pursuant to Rule 23(a) and Rule 23(b)(3) of the Federal Rules of Civil Procedure should be made final; (b) determine whether Plaintiffs may be designated as class representatives and Lead Counsel may be designated as counsel to the Settlement Class; (c) determine whether the Court should grant final approval of the proposed

Settlement on the terms and conditions provided for in the Stipulation as fair, reasonable, and adequate and in the best interest of the members of the Settlement Class; (d) whether judgment should be entered pursuant to the Stipulation, *inter alia*, dismissing the Consolidated Action and the Released Claims as to the Released Persons with prejudice as against Plaintiffs and the Settlement Class, releasing the Released Claims, and barring and enjoining prosecution of any and all Released Claims; (e) 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; (f) to determine whether the Fee and Expense Application should be approved; and (g) to consider any other matters that may properly be brought before the Court in connection with the Settlement. Notice of the Settlement and the Settlement Hearing shall be given to Settlement Class Members as set forth in Paragraphs 9 and 10 of this Order.

6. The Court may adjourn the Settlement Hearing and approve the proposed Settlement with such modifications as the affected Settling Parties may agree to, if appropriate, without further notice to the Settlement Class.

7. **Approval of Form and Content of Notice**. The Court: (a) approves, as to form and content, the Notice of Pendency of Class Action, Proposed Settlement of Class Action, and Settlement Hearing (the "Notice"), the Summary Notice, and the Claim Form, attached hereto as Exhibits A-1, A-2, and A-3, respectively; and (b) finds that the mailing and distribution of the Notice and Claim Form and the publication of the Summary Notice in the manner and form set forth in Paragraph 10 of this Order (i) is the best notice practicable under the circumstances; (ii) constitutes notice that is reasonably calculated, under the circumstances, to apprise the Settlement Class Members of the pendency of the Consolidated Action, the effect of the proposed Settlement (including the releases contained therein), and of their right to object to the

proposed Settlement, exclude themselves from the Settlement Class, and appear at the Settlement Hearing; (iii) constitutes due, adequate, and sufficient notice to all Persons entitled to receive notice of the proposed Settlement; and (iv) satisfies the requirements of Rule 23 of the Federal Rules of Civil Procedure, the United States Constitution (including the Due Process Clause), the Private Securities Litigation Reform Act of 1995, 15 U.S.C. § 78u-4(a)(7), and all other applicable law and rules. The date and time of the Settlement Hearing shall be included in the Notice and Summary Notice before they are mailed and published, respectively.

8. **Selection of Claims Administrator**. Lead Counsel is hereby authorized to retain a claims administrator (the "Claims Administrator") in connection with the Settlement to supervise and administer the notice and claims procedures. The Parties and their counsel shall not be liable for any act or omission of the Claims Administrator.

9. **Manner of Notice**. Notice of the Settlement and the Settlement Hearing shall be given by Lead Counsel as follows:

within five (5) calendar days following entry of this Order, Hi-Crush shall provide or cause to be provided to the Claims Administrator (at no cost to the Settlement Fund, Lead Plaintiff, Lead Counsel, or the Claims Administrator) a copy of its unit transfer records report, in electronic form;

within fourteen (14) calendar days following receipt of the unit transfer records report from Hi-Crush, the Claims Administrator shall cause a copy of the Notice to be mailed by United States mail, postage prepaid, to all members of the Settlement Class who can be identified with reasonable effort, at their last known addresses appearing in the unitholder transfer records maintained by or on behalf of Hi-Crush (the "Notice Date");

within 14 calendar days of the Notice Date, Lead Counsel shall cause the

Summary Notice to be published in *Investor's Business Daily* and transmitted over the national circuit of *Business Wire*. Proof of publication of the Summary Notice shall be filed prior to the Settlement Hearing and served on all counsel of record; and

not later than seven (7) calendar days prior to the Settlement Hearing, Lead Counsel shall serve on Defendants' Counsel and file with the Court proof, by affidavit or declaration, of such mailing and publication.

10. The Court reserves the right to enter the Final Approval Order and Judgment approving the Settlement and dismissing the Consolidated Action with prejudice regardless of whether it has approved the Plan of Allocation or awarded attorneys' fees and expenses.

11. **Broker and Nominee Procedures**. Brokers and other nominees who purchased or acquired Units during the Class Period for the benefit of another Person shall be requested to forward the Notice and Claim Form (together, the "Notice Packet") to all such beneficial owners within five business days after receipt thereof, provide written confirmation to the Claims Administrator of such transmittal, or send a list of the names and addresses of such beneficial owners to the Claims Administrator within five (5) business days of receipt thereof, in which event the Claims Administrator shall promptly mail the Notice Packet to such beneficial owners. The Claims Administrator shall provide brokers or nominees with additional copies of the Notice Packet upon request. Upon full compliance with this Order, such brokers or nominees may seek reimbursement of their reasonable expenses actually incurred in complying with this Order by providing the Claims Administrator with proper documentation supporting the expenses for which reimbursement is sought. Such properly documented expenses incurred by nominees in compliance with the terms of this Order shall be paid from the Gross Settlement Fund in accordance with the provisions of the Stipulation.

12. **Participation in the Settlement**. Class Members who wish to participate in the Settlement and receive a distribution from the Net Settlement Fund must complete and submit the Claim Form in accordance with the instructions contained therein. Unless the Court orders otherwise, all Claim Forms must be postmarked no later than 120 calendar days after the Notice Date. Each Claim Form shall be deemed to be submitted when posted, if received with a postmark indicated on the envelope and if mailed by first-class mail and addressed in accordance with the instructions thereon. In all other cases, the Claim Form shall be deemed to have been submitted when it was actually received by the Claims Administrator. Notwithstanding the foregoing, Lead Counsel may, at its discretion, accept for processing late claims provided that such acceptance does not delay the distribution of the Net Settlement Fund to the Settlement Class.

13. The Claim Form submitted by each Settlement Class Member must satisfy the following conditions: (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 Lead Counsel and the Claims Administrator; (iii) if the person executing the Claim Form is acting in a representative capacity, a certification of his current authority to act on behalf of the Settlement Class Member must be included in the Claim Form; and (iv) the Claim Form 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.

14. By submitting a Claim Form, a Claimant shall be deemed to have submitted to the jurisdiction of the District Court with respect to the Claimant's Claim, and the Claim will be subject to investigation and discovery under the Federal Rules of Civil Procedure; *provided, however*, that such investigation and discovery shall be limited to that Claimant's status as a Settlement Class Member and the validity and amount of the Claimant's Claim. No discovery shall be allowed on the merits of the Consolidated Action or this Settlement in connection with the processing of Claim Forms.

15. Any Settlement Class Member that does not timely and validly submit a Claim Form or whose Claim is not otherwise approved by the Court: (a) shall be deemed to have waived his, her, or its right to share in the Net Settlement Fund; (b) shall forever be barred from participating in any distributions therefrom; (c) shall be bound by the provisions of the Stipulation and the Settlement and all proceedings, determinations, orders, and judgments in the Consolidated Action relating thereto, including, without limitation, the Final Approval Order and Judgment and the releases provided for therein, whether favorable or unfavorable to the Settlement Class; and (d) will be fully and forever barred from commencing, maintaining, or prosecuting any of the Released Claims against each and all of the Defendants and Released Parties as defined in the Stipulation, as more fully described in the Notice.

16. **Exclusion from the Class**. Any Settlement Class Member who wishes to be excluded from the Settlement Class shall mail the request in written form, by first-class mail and postmarked no later than 21 calendar days before the scheduled date of the Settlement Hearing discussed in Paragraph 5, to the address specified in the Notice. The request for exclusion must be signed by such person or his, her, or its authorized representative and shall include: (a) the name, address, and telephone number of the Person requesting exclusion; (b) the number of

Units the Person purchased or acquired during the Class Period along with the dates and prices of such purchase(s) or acquisition(s), and the number of Units the Person sold during the Class Period along with the dates and prices of such sales; and (c) a statement that the Person wishes to be excluded from the Settlement Class. A request for exclusion shall not be effective unless it provides all the required information and is received within the time stated above, or is otherwise accepted by the Court. Any Settlement Class member who fails to timely or properly opt-out, or whose request to opt out is not otherwise accepted by the Court, shall be deemed a Class Member, and shall be deemed by operation of law to have released all Released Claims against the Released Parties.

17. Any Person who or which timely and validly requests exclusion in compliance with the terms stated in this Order and is thereby excluded from the Settlement Class shall not be a Settlement Class Member, shall not be bound by the terms of the Settlement or any other orders or judgments in the Consolidated Action, and shall have no right to receive any payment from the Net Settlement Fund.

18. **Appearance and Objections**. Any Settlement Class Member who does not request exclusion may enter an appearance in the Consolidated Action, at his, her, or its own expense, individually or through counsel of his, her, or its choice. If any Settlement Class Member does not enter an appearance, he, she, or it will be represented by Lead Counsel.

19. Attendance at the Settlement Hearing is not mandatory. Notwithstanding, any Settlement Class Member who does not timely and properly exclude him, her, or itself from the Settlement Class may appear and show cause at the Settlement Hearing in person or by counsel and be heard in support of, or in opposition to, the fairness, reasonableness, and adequacy of the Settlement and the Final Approval Order and Judgment entered thereon, the Plan of Allocation,

and the Fee and Expense Application submitted by Lead Counsel. However, no Settlement Class Member shall be heard in opposition to the Settlement and the Final Approval Order and Judgment entered thereon, the Plan of Allocation, and the Fee and Expense Application. Further, no paper or brief submitted by any such Person in opposition to any of the above shall be received or considered by the Court unless on or before 21 calendar days before the scheduled date of the Settlement Hearing in Paragraph 5, that Person submits a written statement of objection and copies of any papers or briefs to be presented to the Court in support of the objection to:

Clerk's Office	**Defendants' Counsel**	**Lead Counsel**
Clerk of the Court United States District Court Southern District of New York Daniel Patrick Moynihan United States Courthouse 500 Pearl Street New York, NY 10007 Re: *In re Hi-Crush Partners L.P. Securities Litigation*, Case No. 12 Civ. 8557 (CM)	Michael C. Holmes, Esq. Vinson & Elkins L.L.P. 2001 Ross Avenue, Suite 3700 Dallas, TX 75201	Ira M. Press, Esq. Thomas W. Elrod, Esq. Beverly T. Mirza, Esq. Kirby McInerney LLP 825 Third Avenue, 16th Floor New York, NY 10022

20. Such an objection must also include the name, address, and telephone number of the Person objecting, as well as a proof of purchase or acquisition of Units during the Class Period. Any member of the Settlement Class who fails to object in the manner prescribed above shall be deemed to have waived, and shall forever be foreclosed from raising any objections to the fairness, reasonableness, or adequacy of the Settlement.

21. The Parties may take discovery of Persons who submit objections, including deposition and document discovery, on issues related to the objection. Failure by an objector to make himself, herself, or itself reasonably available for a deposition or to comply with discovery requests may result in the Court striking the objection and/or otherwise denying that Person the opportunity to make an objection or be further heard. The Court reserves the right to tax the

costs of any such discovery to the objector or the objector's separate counsel should the Court determine that the objection is frivolous or made for an improper purpose. The Court may, in its discretion, order any objector who subsequently files a notice of appeal to post an appropriate appellate bond.

22. **Stay**. All proceedings relating to the Settlement Class in the Consolidated Action, except as set forth in the Stipulation, are stayed until further order of this Court. Pending the final determination of the fairness, reasonableness, and adequacy of the proposed Settlement, Plaintiffs and members of the Settlement Class, either directly, representatively, or in any other capacity, shall not institute, commence, or prosecute any other proceedings, other than those incident to the Settlement itself, against Defendants and any of the Released Parties in any action or proceeding in any court or tribunal.

23. **Settlement Administration Fees and Expenses**. All reasonable costs incurred in identifying and notifying Settlement Class Members, as well as in administering the Gross Settlement Fund, shall be paid as set forth in the Stipulation without further order of the Court.

24. **Settlement Funds**. All funds held in the Escrow Account shall be deemed and considered to be in the custody of the Court, and shall remain subject to the jurisdiction of the Court, until such time as such funds shall be distributed pursuant to the Stipulation and/or further order(s) of the Court.

25. **Taxes**. Lead Counsel is authorized and directed to prepare any tax returns and any other tax reporting form for or in respect of the Gross Settlement Fund, to pay from the Gross Settlement Fund any Taxes owed with respect to the Gross Settlement Fund, and to otherwise perform all obligations with respect to Taxes and any reporting or filings in respect

thereof without further order of the Court in a manner consistent with the provisions of the Stipulation.

26. **Termination**. If the Settlement is terminated, is not approved by this Court, or the Effective Date does not occur, then this Order shall become null and void and shall be without prejudice to the rights of Plaintiffs, Settlement Class Members, and Defendants, all of whom shall be restored to their respective positions with respect to the Consolidated Action, as provided for in the Stipulation.

27. **Use of this Order**. Neither the Stipulation nor the Settlement set forth therein, nor any act performed or document executed pursuant to or in furtherance of the Stipulation or the Settlement: (i) is, or shall be deemed to be, or shall be used as an admission of any Defendant, any Released Party, or any other Person of the validity of any Released Claims, or any wrongdoing by or liability of any Defendant or Released Party; (ii) is, or shall be deemed to be, or shall be used as an admission of any fault or omission of any Defendant or any Released Party in any statement, release, or written documents issued, filed, or made; (iii) shall be offered or received in evidence against any Defendant or Released Party in any civil, criminal, or administrative action or proceeding in any court, administrative agency, or other tribunal other than such proceedings as may be necessary to consummate or enforce the Stipulation, the Settlement set forth therein, the releases provided pursuant thereto, and/or the Final Approval Order, except that the Stipulation may be filed in the Consolidated Action or in any subsequent action brought against any of the Defendants, their insurers, and/or any of the Released Parties in order to support a defense or counterclaim of any Defendant and/or any Released Party of *res judicata*, collateral estoppel, release, good faith settlement, or any theory of claim or issue preclusion or similar defense or counterclaim, including, without limitation, specific

performance of the Settlement embodied in the Stipulation as injunctive relief; (iv) shall be construed against the Defendants, Released Parties, Plaintiffs, and members of the Settlement Class as an admission or concession that the consideration to be given hereunder represents the amount which could be or would have been recovered after trial; and (v) shall be construed as or received in evidence as an admission, concession, or presumption against Plaintiffs and members of the Settlement Class or any of them that any of their claims are without merit or that damages recoverable in the Consolidated Action would not have exceeded the Gross Settlement Fund.

28. **Supporting Papers**. Plaintiffs' Counsel's opening briefing in support of approval of the Settlement, the proposed Plan of Allocation, and the Fee and Expense Application shall be served and filed no later than 35 days prior to the Settlement Hearing; if reply papers are necessary, they are to be filed and served no later than 7 calendar days prior to the Settlement Hearing.

29. The Court retains jurisdiction to consider all further applications arising out of the proposed Settlement.

Dated: _____, 2014

_____
HONORABLE COLLEEN MCMAHON
UNITED STATES DISTRICT JUDGE

EXHIBIT A-1

UNITED STATES DISTRICT COURT SOUTHERN DISTRICT OF NEW YORK

IN RE: HI-CRUSH PARTNERS L.P. SECURITIES LITIGATION	Civil Action No. 12-Civ-8557 (CM)

NOTICE OF PENDENCY OF CLASS ACTION AND PROPOSED SETTLEMENT, SETTLEMENT FAIRNESS HEARING, AND MOTION FOR AN AWARD OF ATTORNEYS' FEES AND REIMBURSEMENT OF LITIGATION EXPENSES

A Federal Court Authorized This Notice. This Is Not A Solicitation From A Lawyer.

TO: ALL RECORD AND BENEFICIAL OWNERS OF ANY UNIT(S) OF HI-CRUSH PARTNERS LP ("HI-CRUSH") AT ANY TIME DURING THE PERIOD BEGINNING ON AND INCLUDING SEPTEMBER 25, 2012 THROUGH AND INCLUDING NOVEMBER 12, 2012, INCLUDING ANY AND ALL OF THEIR RESPECTIVE SUCCESSORS-IN-INTEREST, PREDECESSORS, LEGAL REPRESENTATIVES, TRUSTEES, EXECUTORS, ADMINISTRATORS, HEIRS, ASSIGNEES, OR TRANSFEREES, IMMEDIATE AND REMOTE, AND ANY PERSON OR ENTITY ACTING FOR OR ON BEHALF OF, OR CLAIMING UNDER, ANY OF THEM, AND EACH OF THEM, BUT EXCLUDING DEFENDANTS (AS DEFINED BELOW), THE OFFICERS AND DIRECTORS OF Hi-CRUSH, AND, AT ALL RELEVANT TIMES, THE MEMBERS OF THEIR IMMEDIATE FAMILIES, THEIR LEGAL REPRESENTATIVES, HEIRS, SUCCESSORS, AND ASSIGNS.[1]

- PLEASE READ THIS NOTICE CAREFULLY.

- IF YOU WISH TO COMMENT IN FAVOR OF THE SETTLEMENT OR OBJECT TO THE SETTLEMENT, YOU MUST FOLLOW THE DIRECTIONS IN THIS NOTICE.

- YOU MAY BE ELIGIBLE TO RECEIVE MONEY FROM THE SETTLEMENT OF THIS CASE.

- YOUR LEGAL RIGHTS MAY BE AFFECTED BY THIS LAWSUIT.

- TO RECEIVE MONEY FROM THIS SETTLEMENT, YOU MUST SUBMIT A VALID PROOF OF CLAIM AND RELEASE FORM ("CLAIM FORM") POSTMARKED ON OR BEFORE _____, 2014.

- IF YOU DO NOT WISH TO PARTICIPATE IN THE SETTLEMENT, YOU MAY REQUEST TO BE EXCLUDED FROM THE SETTLEMENT BY SENDING A WRITTEN REQUEST FOR EXCLUSION THAT MUST BE POSTMARKED ON OR BEFORE _____, 2014.

- IF YOU RECEIVED THIS NOTICE ON BEHALF OF A SETTLEMENT CLASS MEMBER WHO IS DECEASED, YOU SHOULD PROVIDE THE NOTICE TO THE AUTHORIZED LEGAL REPRESENTATIVE OF THAT SETTLEMENT CLASS MEMBER.

YOU ARE HEREBY NOTIFIED AS FOLLOWS:[2]

A proposed settlement (the "Settlement") has been reached by the Parties in the constituent actions that make up the consolidated class action pending in the United States District Court for the Southern District of New York (the "District Court"), which was brought on behalf of all Persons described above (the "Settlement Class"). The District Court has

[1] All capitalized terms that are not defined in this Notice have the meaning ascribed to them in the Stipulation of Settlement (the "Stipulation") dated September 12, 2014, which is available on the website established for the Settlement at [www.HiCrushSecuritiesLitigation.com.]

[2] A copy of this Notice may be found at [www.HiCrushSecuritiesLitigation.com.]

preliminarily approved the Settlement, whose terms are set forth in the Stipulation of Settlement (the "Stipulation"), which is available at [www.HiCrushSecuritiesLitigation.com], and has preliminarily certified the Settlement Class for purposes of Settlement only. You have received this Notice because the Parties' records indicate that you are a member of the Settlement Class. This Notice is designed to inform you of your rights, how you can submit a Claim Form, and how you can comment in favor of the Settlement or object to the Settlement. If the Settlement is finally approved by the District Court, the Settlement will be binding upon you, unless you exclude yourself, even if you do not submit a Claim Form to obtain money from the Net Settlement Fund and even if you object to the Settlement.

There will be a hearing on the Settlement (the "Settlement Hearing") before the Honorable Colleen McMahon, United States District Court Judge, at ___:_____ __.m. on _____, 2014, in Courtroom 17C of the Daniel Patrick Moynihan United States Courthouse, 500 Pearl Street, New York, New York.

THE FOLLOWING RECITATION DOES NOT CONSTITUTE FINDINGS OF THE COURT AND SHOULD NOT BE UNDERSTOOD AS AN EXPRESSION OF ANY OPINION OF THE COURT AS TO THE MERITS OF ANY CLAIMS OR DEFENSES BY ANY OF THE PARTIES. IT IS BASED ON STATEMENTS OF THE PARTIES AND IS SENT FOR THE SOLE PURPOSE OF INFORMING YOU OF THE EXISTENCE OF THE LAWSUIT AND OF THE FINAL SETTLEMENT HEARING ON A PROPOSED SETTLEMENT SO THAT YOU MAY MAKE APPROPRIATE DECISIONS AS TO STEPS YOU MAY, OR MAY NOT, WISH TO TAKE IN RELATION TO THE LAWSUIT.

I. BACKGROUND OF THE LAWSUIT

Hi-Crush Partners, L.P. ("Hi-Crush" or the "Partnership"), conducted its initial public offering ("IPO") in August 2012. In connection with the IPO, Hi-Crush filed a final prospectus with the United States Securities and Exchange Commission ("SEC") that became effective on August 16, 2012. Hi-Crush completed its IPO on August 21, 2012.

On November 13, 2012, Hi-Crush issued a press release, stating, among other things that: (1) on September 19, 2012, one of its customers provided notice that it was terminating its long-term supply agreement with Hi-Crush; (2) on November 12, 2012, Hi-Crush exercised its contractual right to terminate the customer's supply agreement and sued that customer for breach of contract in Texas state court, seeking the contractually provided for liquidated damages.

Between November 21, 2012 and December 18, 2012, plaintiffs Shirley Horn, Douglas Goodhart, Leona Sesholtz, Alexander W. Thiele, and Peter A. Luebke filed four separate putative class action lawsuits against Hi-Crush, its general partner, certain of its officers and directors, and the underwriters of Hi-Crush's IPO: *Horn v. Hi-Crush Partners, L.P., et al.*, 12-CV-8557 (the "Horn Action"); *Goodhart v. Hi-Crush Partners, L.P., et al.*, 12-CV-8574 (S.D.N.Y.) (the "Goodhart Action"); *Sesholtz, at al. v. Hi-Crush Partners, L.P., et al.*, 12-CV-8610 (S.D.N.Y.) (the "Sesholtz Action"); and *Luebke v. Hi-Crush Partners, L.P., et al.*, 12-CV-9212 (S.D.N.Y.) (the "Luebke Action"). These lawsuits alleged violations of Sections 11, 12 and 15 of the Securities Act of 1933 (the "Securities Act") in connection with Hi-Crush's IPO and announcement on November 13, 2012.

Pursuant to the PSLRA (15 USC § 78u-4(a)(3)(B)), several members of the putative class moved for the appointment as lead plaintiff on or before January 22, 2013.

Plaintiffs in the Goodhart Action and Sesholtz Action voluntarily dismissed their lawsuits on December 10, 2012 and February 7, 2013, respectively.

By an order dated February 11, 2013, (the "Order") the District Court consolidated the Horn Action and Luebke Action under the caption *In re Hi-Crush Partners, L.P. Securities Litigation*, 12 Civ. 8557 (the "Consolidated Action"). In the Order, the District Court appointed HITE Hedge LP and HITE MLP LP (collectively, "Plaintiffs" or "HITE") as the Lead Plaintiffs and Kirby McInerney LLP as lead counsel for the putative class in the Consolidated Action.

On February 15, 2013, Plaintiffs filed a consolidated amended complaint (the "Consolidated Complaint"). The Consolidated Complaint alleged violations of Sections 11, 12 and 15 of the Securities Act, and violations of Sections 10(b) and 20(a) of the Securities Exchange Act of 1934 (the "Exchange Act") and Rule 10b-5 promulgated under Section 10(b).

On March 22, 2013, all of the named defendants moved to dismiss the Consolidated Action. On April 12, 2013, Plaintiffs filed their Opposition to the defendants' motions to dismiss the Consolidated Action. Defendants filed replies in support of their motions to dismiss on April 19, 2013.

On December 2, 2013, the District Court issued a Decision and Order Granting in Part and Denying in Part Defendants' Motions to Dismiss ("Decision and Order"). The Decision and Order dismissed the claims asserted under Sections 11, 12 and 15 of the Securities Act, but denied dismissal as to the claims asserted under Sections 10(b) and 20(a) of the Exchange Act and SEC Rule 10b-5. As a result of the Decision and Order, certain defendants, which included the named underwriter defendants and certain of the individual defendants, were dismissed from the Consolidated Action.

On January 13, 2014, the remaining defendants, Hi-Crush, Hi-Crush GP LLC ("Hi-Crush GP"), Robert E. Rasmus, James M. Whipkey, Laura C. Fulton, and Jefferies V. Alston, III (collectively, "Defendants"), filed their answer to the Amended Complaint denying the allegations therein.

From February to May 2014, the parties engaged in discovery that included the production and exchange of documents, the taking and defense of deposition testimony, and exchange of written discovery.

On April 15, 2014, Plaintiffs filed a Motion for Class Certification and Appointment of Class Representative and Class Counsel ("Class Certification Motion"). On May 15, 2014, Defendants filed their Opposition to Plaintiffs' Class Certification Motion and Plaintiffs filed their reply on June 17, 2014.

On June 25, 2014, the Settling Parties participated in mediated settlement negotiations before Robert A. Meyer, Esq. of Loeb & Loeb, LLP (the "Mediator"). With the Mediator's assistance, the Settling Parties reached an agreement in principle to settle the Consolidated Action, for $3,800,000, to be paid for the benefit of the Settlement Class.

Defendants have denied the claims asserted against them in the Consolidated Action and deny having engaged in any wrongdoing or violation of law of any kind whatsoever. Defendants have agreed to the Settlement solely to eliminate the burden and expense of continued litigation. Accordingly, the Settlement may not be construed as an admission of any wrongdoing by any of the Defendants. The District Court has not ruled on the merits of whether the Defendants violated the securities laws, or any other laws or rules.

Plaintiffs and Defendants, and their counsel, have concluded that the Settlement is advantageous, considering the risks and uncertainties to each side of continued litigation. The Parties and their counsel have determined that the Settlement is fair, reasonable, and adequate and is in the best interests of the Settlement Class Members.

The Settlement creates a Gross Settlement Fund in the amount of $3,800,000 in cash, plus interest that accrues on the fund prior to distribution. Your recovery from the Gross Settlement Fund will depend on a number of variables, including the number of common units in Hi-Crush ("Units") that you purchased or acquired during the period from September 25, 2012 to November 12, 2012, inclusive, and the timing of your purchases, acquisitions, and sales of any Units. Lead Plaintiffs estimate that if all eligible Claimants submit a valid Claim Form, the average distribution per damaged unit[3] will be approximately $1.38 before deduction of Court-approved fees and expenses. Settlement Class Members should note, however, that this is only an estimate based on the overall number of potentially affected Units. Some Settlement Class Members may recover more or less than the amount estimated herein.

[3] An allegedly damaged Unit might have been traded more than once during the Class Period, and the indicated average recovery would be the total for all purchasers of that Unit.

Plaintiffs and Defendants do not agree on the average amount of damages per unit that would be recoverable if the Plaintiffs were to have prevailed in the Consolidated Action. The issues on which the Parties disagree include: (1) the amount by which Units were allegedly artificially inflated (if at all) during the Class Period; (2) the effect of various market forces on the price of the Units at various times during the Class Period; (3) the extent to which external factors, such as general market and industry conditions, influenced the price of the Units at various times during the Class Period; (4) the extent to which the various public statements that Plaintiffs alleged were materially false or misleading influenced (if at all) the price of the Units at various times during the Class Period; (5) the extent to which the various allegedly adverse material facts that Plaintiffs alleged were omitted influenced (if at all) the price of the Units at various times during the Class Period; and (6) whether the statements made or facts allegedly omitted were material, false, misleading, or otherwise actionable under the federal securities laws.

Plaintiffs' counsel, who have been prosecuting this Consolidated Action on a wholly-contingent basis since its inception, have not received any payment of attorneys' fees for their representation of the Settlement Class and they have advanced the funds to pay expenses necessarily incurred to prosecute the Consolidated Action. Lead Counsel will apply to the Court for an award of attorneys' fees for all Plaintiffs' Counsel in the amount of 33 1/3% of the Gross Settlement Fund. In addition, Lead Counsel will apply for reimbursement of litigation expenses (exclusive of administration costs) paid or incurred in connection with the prosecution and resolution of the claims against the Defendants, in an amount not to exceed $115,000 (which may include an application for reimbursement of the reasonable costs and expenses incurred by Lead Plaintiffs directly related to their representation of the Settlement Class). Any fees and expenses awarded by the Court will be paid from the Gross Settlement Fund. Settlement Class Members are not personally liable for any such fees or expenses. If the Settlement is approved, and Lead Counsel's fee and expense application is granted in its entirety, the average cost per unit of these fees and expenses will be approximately $0.50 per Unit.

Lead Plaintiffs and the Settlement Class are being represented by Kirby McInerney LLP. Any questions regarding the Consolidated Action or the Settlement should be directed to Ira M. Press, Esq., Thomas W. Elrod Esq., or Beverly T. Mirza, Esq. at Kirby McInerney LLP, 825 Third Avenue, 16th Floor, New York, NY 10022, (212) 371-6600.

Your Legal Rights and Options in the Settlement:

Submit A Claim Form By [] [ ], 2014	This is the only way to be eligible to get a payment in connection with the Settlement.
Exclude Yourself From The Settlement Class By Submitting A Written Request Postmarked No Later Than [ ] [ ], 2014	If you exclude yourself from the Settlement Class, you will not be eligible to get any payment from the Net Settlement Fund. This is the only option that allows you to be part of any other lawsuit against any of the Defendants or the other Released Parties concerning the Released Claims (defined below).
Object To The Settlement By Submitting A Written Objection No Later Than [] [ ], 2014	If you do not like the proposed Settlement, the proposed Plan of Allocation, or the Fee and Expense Application, you may write to the District Court and explain why you do not like them. You cannot object to the Settlement, the Plan of Allocation, or the Fee and Expense Application unless you are a Settlement Class Member and do not exclude yourself.

Go To The Settlement Hearing On [ ] [ ], 2014 At [ ] A.M., And File A Notice Of Intention To Appear No Later Than [ ] [ ], 2014	Filing a written objection and notice of intention to appear allows you to speak in court about the fairness of the Settlement, the Plan of Allocation, and/or the Fee and Expense Application. If you submit a written objection, you may (but do not have to) attend the hearing and speak to the District Court about your objection.
Do Nothing	If you are a member of the Settlement Class and you do not submit a Claim Form by [ ] [ ], 2014, you will not be eligible to receive any payment from the Net Settlement Fund. You will, however, remain a member of the Settlement Class, which means that you give up your right to sue about the claims that are resolved by the Settlement and you will be bound by any Judgments or Orders entered by the District Court pertaining to the class actions in the Consolidated Action.

[END OF COVER PAGE]

II. TERMS OF THE SETTLEMENT

The Stipulation setting forth the terms of the Settlement provides for the following:

A. Why Did I Get This Notice?

This Notice is being sent to you pursuant to an order of the District Court because you, someone in your family, or an investment account for which you serve as a custodian may have purchased or acquired Units during the Class Period. The District Court has directed us to send you this Notice because, as a potential Settlement Class Member, you have a right to know about your options before the Court rules on the proposed Settlement. Additionally, you have the right to understand how a class action lawsuit may generally affect your legal rights. If the District Court approves the Settlement and the Plan of Allocation (or some other plan of allocation), the Claims Administrator selected by Defendants and approved by the Court will make payments pursuant to the Settlement and the court-approved Plan of Allocation after any objections and appeals are resolved. This Notice is also being sent to inform you of a hearing to be held by the District Court to consider the fairness, reasonableness, and adequacy of the Settlement, the proposed Plan of Allocation, and the Fee and Expense Application.

In a class action lawsuit, the court selects one or more people, known as class representatives, to sue on behalf of all people with similar claims, commonly known as the class or the class members. A class action is a type of lawsuit in which the claims of a number of individuals are resolved together, thus providing the class members with both consistency and efficiency. Once the class is certified, the court must resolve all issues on behalf of the class members, except for any Persons who choose to exclude themselves from the class. In the Consolidated Action, the District Court appointed Plaintiffs to serve as "Lead Plaintiffs" under a federal law governing lawsuits such as this one, and approved Plaintiffs' selection of the law firm of Kirby McInerney LLP to serve as Lead Counsel ("Lead Counsel"). The District Court has preliminarily certified the Consolidated Action to proceed as a class action for settlement purposes only and preliminarily certified the Plaintiffs as representatives for the Settlement Class.

This Notice does not express any opinion by the District Court concerning the merits of any claim in the Consolidated Action. The District Court has to decide whether to approve the Settlement. If the Court approves the Settlement and the Plan of Allocation, payments to Authorized Claimants will be made after any appeals are resolved, and after the completion of all claims processing. Please be patient.

B. What Does The Settlement Provide?

Defendants shall cause to be delivered to Lead Counsel a check in the amount of $3,800,000, which will earn interest for the benefit of the Settlement Class (the "Gross Settlement Fund").

C. Am I Included In The Settlement?

You are included in the Settlement if you purchased or otherwise acquired Units during the Class Period and were damaged thereby. Excluded from the Settlement Class are Defendants, the current or former officers and directors of the Partnership, members of the Individual Defendants' immediate families, and any Person, firm, trust, corporation, officer, director, or other individual or entity in which any Defendant has, had, or will have a controlling interest or which is related to or affiliated with, through ownership of a controlling interest or common ownership of a controlling interest, any Defendant; also excluded from the Class are the legal representatives, heirs, administrators, successors-in-interest, or assigns of any such excluded party. Also excluded from the Settlement Class are any Persons who exclude themselves by submitting a request for exclusion in accordance with the requirements set forth in this Notice (*see* pages 9-10 below).

PLEASE NOTE: RECEIPT OF THIS NOTICE DOES NOT MEAN THAT YOU ARE A SETTLEMENT CLASS MEMBER OR THAT YOU WILL BE ENTITLED TO RECEIVE PROCEEDS FROM THE SETTLEMENT. IF YOU ARE A SETTLEMENT CLASS MEMBER AND YOU WISH TO BE ELIGIBLE TO PARTICIPATE IN THE DISTRIBUTION OF PROCEEDS FROM THE SETTLEMENT, YOU ARE REQUIRED TO SUBMIT THE CLAIM FORM THAT IS BEING DISTRIBUTED WITH THIS NOTICE AND THE REQUIRED SUPPORTING DOCUMENTATION AS SET FORTH THEREIN POSTMARKED NO LATER THAN [ ], 2014.

D. What Might Happen If There Were No Settlement?

If there were no Settlement and Plaintiffs failed to establish any essential legal or factual element of their claims against the Defendants, neither they nor the Settlement Class would recover anything from the Defendants. Also, if the Defendants were successful in proving any of their defenses, the Settlement Class could recover substantially less than the amounts provided in the Settlement, or nothing at all. Additionally, there were limits on the insurance coverage available for the Defendants. Moreover, the insurance coverage available to the Defendants is a wasting asset. The ongoing prosecution of the Consolidated Action against the Individual Defendants, along with other costs being paid from these policies in connection with other ongoing litigation, is depleting the amount of available insurance coverage. Thus, even if Plaintiffs would have prevailed at trial and on the appeal that would have sure followed, by the time Plaintiffs could seek to enforce the judgment, the insurance coverage could have been materially depleted, if not exhausted entirely. Thus, a victory at trial or on appeal against the Defendants could well have resulted in a smaller recovery or no recovery at all.

E. What Is The legal Effect Of The Settlement On My Rights?

If you are a member of the Settlement Class, the Settlement will affect you. If the District Court grants final approval of the Settlement, the Consolidated Action will be dismissed with prejudice and all Settlement Class Members will fully release and discharge the Defendants from all claims for relief arising out of or based on Plaintiffs' allegations. When a Person "releases" claims, that means that Person cannot sue the defendants for any of the claims covered by the release. If you are a Settlement Class Member and you submit a valid and timely Claim Form, you will receive a payment based upon the distribution formula described below.

F. What Will I Receive From The Settlement?

At this time, it is not possible to make any determination as to how much a Settlement Class Member may receive from the Settlement. Pursuant to the Settlement, Defendants shall cause to be delivered to Lead Counsel a check in the amount of $3,800,000. The settlement amount will be deposited into an interest-bearing escrow account. If the Settlement is approved by the District Court, the Net Settlement Fund (i.e., the Gross Settlement Fund less (a) all federal, state, and local taxes on any

income earned by the Gross Settlement Fund and the reasonable costs incurred in connection with determining the amount of and paying taxes owed by the Gross Settlement Fund (including reasonable expenses of tax attorneys and accountants); (b) the costs and expenses incurred in connection with providing Notice to Settlement Class Members and administering the Settlement on behalf of Settlement Class Members; and (c) any attorneys′ fees and expenses awarded by the District Court) will be distributed to Settlement Class Members as set forth in the proposed Plan of Allocation, or such other plan as the District Court may approve.

After approval of the Settlement by the District Court and upon satisfaction of the other conditions to the Settlement, the Net Settlement Fund will be distributed to Authorized Claimants in accordance with the Plan of Allocation approved by the District Court. Under the proposed Plan of Allocation, your share of the Net Settlement Fund will depend on: (1) the dates you acquired or sold your Hi-Crush Units; (2) the number of Units acquired or sold and the price paid or received; (3) the expense of administering the claims process; (4) any attorneys' fees and expenses awarded by the Court; (5) interest income received and taxes paid by the Settlement Fund; (6) the number of eligible Hi-Crush Units acquired by other Settlement Class Members who submit timely and valid Proof of Claim Forms; and (7) the Recognized Losses of all other Authorized Claimants computed in accordance with the Plan of Allocation set out on pages 8-9 below.

You can calculate your Recognized Loss in accordance with the formula set forth below in the proposed Plan of Allocation. In the event the aggregate Recognized Losses of all timely and validly submitted Proof of Claim Forms exceed the Net Settlement Fund, your share of the Net Settlement Fund will be proportionally less than your calculated Recognized Loss. It is unlikely that you will get a payment for all of your Recognized Loss. After all Settlement Class Members have sent in their Proof of Claim Forms, the payment you get will be that proportion of the Net Settlement Fund equal to your Recognized Loss divided by the total Recognized Losses of all Settlement Class Members who submit timely and valid Proof of Claim Forms (the "*Pro Rata* Share"). *See* the Plan of Allocation on pages 8-9 for more information on your Recognized Loss.

The Net Settlement Fund will not be distributed until the District Court has approved a plan of allocation, and the time for any petition for rehearing, appeal, or review, whether by certiorari or otherwise, has expired.

Neither the Defendants nor any other Person that paid any portion of the Gross Settlement Amount is entitled to get back any portion of the Net Settlement Fund once the District Court's Final Approval Order and Judgment approving the Settlement becomes final. The Defendants will not have any liability, obligation, or responsibility for the administration of the Settlement or disbursement of the Net Settlement Fund or the Plan of Allocation.

Approval of the Settlement is independent from approval of the Plan of Allocation. Any determination with respect to the Plan of Allocation will not affect the Settlement, if approved.

Each Person wishing to participate in the distribution must timely submit a valid Claim Form establishing membership in the Settlement Class, and including all required documentation, postmarked on or before [ ], 2014, to the address set forth in the Claim Form that accompanies this Notice.

Unless the District Court otherwise orders, any Settlement Class Member who fails to submit a Claim Form postmarked on or before [ ], 2014, shall be fully and forever barred from receiving payments pursuant to the Settlement, but will in all other respects remain a Settlement Class Member and be subject to the provisions of the Stipulation and Settlement that is approved, including the terms of any judgment entered and releases given.

The District Court has reserved jurisdiction to allow, disallow, or adjust the Claim of any Settlement Class Member on equitable grounds.

Each Claimant shall be deemed to have submitted to the jurisdiction of the District Court with respect to his, her, or its Claim Form. Upon request of the Claims Administrator, each Person that submits a Claim Form shall subject his, her, or its Claim to investigation as to his, her, or its status as a Claimant and the allowable amount of his, her, or its Claim.

Persons that are excluded from the Settlement Class by definition or that exclude themselves from the Settlement Class will not be eligible to receive a distribution from the Net Settlement Fund and should not submit a Claim Form.

Proposed Plan Of Allocation

The Net Settlement Fund will be distributed to Settlement Class Members who submit valid, timely Claim Forms. If you have a net loss on all transactions in Units during the Class Period, you will be paid the percentage of the Net Settlement Fund that your Recognized Loss bears to the total of the Recognized Losses of all Authorized Claimants. Payment in this manner shall be deemed conclusive against all Authorized Claimants. It is not intended to be an estimate of the amount that will be paid to Authorized Claimants pursuant to the Settlement.

Each Authorized Claimant's Recognized Loss will be calculated as follows:

For Hi-Crush common units purchased or otherwise acquired between September 25, 2012 and November 12, 2012, inclusive:

a. Units that were sold prior to November 13, 2012 have a Recognized Loss of zero.

b. The Recognized Loss for units that were still held at the close of trading on February 13, 2013 is the difference between (a) the lesser of the purchase price and $20.35 per unit, and (b) the greater of the sale price and $16.13 per unit.[4]

c. The Recognized Loss for units the were sold during the period from November 13, 2012 through February 13, 2013 is the difference between (a) the lesser of the purchase price and $20.35 per unit, and (b) the greater of the sale price or the average closing price of the units during the period from November 13, 2012 through the date of sale.

d. Purchases and sales are matched on a last in, first out ("LIFO") basis, except that purchases that were made in order to cover short sales should be matched to the short sales they covered.

The date of purchase/acquisition or sale is the "contract" or "trade" date as distinguished from the "settlement" or "payment" date. However, for Hi-Crush Units that were put to investors pursuant to put options sold by those investors, the purchase/acquisition of the Hi-Crush Units shall be deemed to have occurred on the date that the put option was sold, rather than the date on which the Units were subsequently put to the investor pursuant to that option. The proceeds of any put option sales shall be offset against any losses from Units that were purchased/acquired as a result of the exercise of the put option. Additionally, Hi-Crush common units acquired during the Class Period through the exercise of a call option shall be treated as a purchase on the date of exercise for the exercise price plus the cost of the call option, and any Claim arising from such transaction shall be computed as provided for other purchases of Hi-Crush common units as set forth herein.

The receipt or grant by gift, devise or inheritance of Hi-Crush Units during the Class Period shall not be deemed to be a purchase or acquisition of Hi-Crush Units for the calculation of an Authorized Claimant's Recognized Loss if the Person from which the Hi-Crush Units were received did not themselves acquire the Units during the Class Period, nor shall it be deemed an assignment of any claim relating to the purchase or acquisition of such Units unless specifically provided in the instrument or gift or assignment.

An Authorized Claimant will be eligible to receive a distribution from the Net Settlement Fund only if the Authorized Claimant had a net loss, after all profits from transactions in Units during the Class Period are subtracted from all losses.

[4] Pursuant to Section 21(D)(e)(1) of the Private Securities Litigation Reform Act of 1995, "in any private action arising under this title in which the plaintiff seeks to establish damages by reference to the market price of a security, the award of damages to the plaintiff shall not exceed the difference between the purchase or sale price paid or received, as appropriate, by the plaintiff for the subject security and the mean trading price of that security during the 90-day period beginning on the date on which the information correcting the misstatement or omission that is the basis for the action is disseminated." $16.13 was the mean closing price of Hi-Crush common units during the 90-day period beginning on November 13, 2012 and ending on February 13, 2013.

However, the proceeds from sales of units which, pursuant to LIFO, have been matched against units held at the beginning of the Class Period will not be used in the calculation of such net loss.

If an Authorized Claimant's distribution amount calculates to less than $10.00, no distribution will be made to that Authorized Claimant.

Distributions will be made to Authorized Claimants after all Claims have been processed and after the District Court has finally approved the Settlement. If there is any balance remaining in the Net Settlement Fund six months from the date of distribution of the Net Settlement Fund by reason of un-cashed distributions or otherwise, then, after the Claims Administrator has made reasonable efforts to have Authorized Claimants cash their distributions, and it is economically feasible, any balance remaining in the Net Settlement Fund shall be redistributed to Authorized Claimants who have cashed their initial distributions and who would receive at least $10.00 from such redistribution after the payment of any taxes and unpaid costs or fees incurred in administering the Net Settlement Fund for such redistribution. Lead Counsel shall, if feasible, continue to reallocate any further balance remaining in the Net Settlement Fund after the redistribution is completed among Settlement Class members in the same manner and time frame as provided for above. In the event that Lead Counsel determines that further redistribution of any balance remaining (following the initial distribution and redistribution) is no longer feasible, thereafter Lead Counsel shall donate the remaining funds, if any, to a non-sectarian, not-for-profit 501(c)(3) organization serving the public interest, to be designated by Lead Counsel and approved by the District Court.

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

The Plan of Allocation set forth herein is the plan that is being proposed by Lead Plaintiffs and Lead Counsel to the District Court for approval. The District Court may approve this Plan of Allocation as proposed or it may modify the Plan of Allocation without further notice to the Settlement Class. Any orders regarding a modification of the Plan of Allocation will be posted on the settlement website, [www.HiCrushSecuritiesLitigation.com.]

G. Can I Decide To Opt Out Of This Settlement?

Yes. If you do not wish to be included in the Settlement Class and you do not wish to participate in the Settlement, you may request to be excluded. To do so, you must submit a written request for exclusion that must be signed by you or your authorized representative and postmarked on or before _____, 2014. You must set forth: (a) the name, address, and telephone number of the Person requesting exclusion; (b) the number of Units the Person purchased or acquired during the Class Period along with the dates and prices of such purchase(s) or acquisition(s), and the number of Units the Person sold during the Class Period along with the dates and prices of such sales; (c) broker confirmations or other documentation of your transactions in Hi-Crush common units and (d) a statement that the Person wishes to be excluded from the Settlement Class.

The exclusion request should be addressed as follows:

Hi-Crush Securities Litigation EXCLUSION REQUEST
Claims Administrator
c/o GCG
P.O. Box 9349
Dublin, OH 43017-4249

NO REQUEST FOR EXCLUSION WILL BE CONSIDERED VALID UNLESS ALL OF THE INFORMATION DESCRIBED ABOVE IS INCLUDED IN ANY SUCH REQUEST AND RECEIVED WITHIN THE TIME STATED ABOVE, OR IS OTHERWISE ACCEPTED BY THE COURT.

If you timely and validly request exclusion from the Settlement Class, (a) you will be excluded from the Settlement Class, (b) you will not share in the proceeds of the Settlement described herein, (c) you will not be bound by any judgment entered in the case, and (d) you will not be precluded, by reason of your decision to request exclusion from the Settlement Class, from otherwise prosecuting an individual claim, if timely, against the Defendants based on the matters complained of in the litigation. The Defendants may withdraw from and terminate the Settlement if Settlement Class Members who purchased in excess of a certain amount of Units exclude themselves from the Settlement Class.

H. What If A Settlement Class Member Is Deceased?

The authorized legal representative(s) of a Settlement Class Member may receive a recovery on behalf of the Settlement Class Member.

I. What If I Bought Hi-Crush Units On Someone Else's Behalf?

If you purchased or otherwise acquired Units during the Class Period for the beneficial interest of a Settlement Class Member, you must either (a) send copies of the Notice and Claim Form to the beneficial owners of the Units within five business days from the receipt of the Notice, and provide written confirmation to the Claims Administrator of such; or (2) provide the names and addresses of such persons or entities to *Hi-Crush Securities Litigation*, c/o GCG, P.O. Box 9349, Dublin, OH 43017-4249. If you choose the second option, the Claims Administrator will send a copy of the Notice and the Claim Form to the beneficial owners. Upon full compliance with these directions, such nominees may seek reimbursement of their reasonable expenses actually incurred, by providing the Claims Administrator with proper documentation supporting the out-of-pocket expenses for which reimbursement is sought.

Copies of this Notice and the Claim Form can be obtained from the website maintained by the Claims Administrator, www.HiCrushSecuritiesLitigation.com, by calling the Claims Administrator toll-free at 1-800-231-1815, or from Lead Counsel's website, www.kmllp.com.

J. How And What Do I Do To Make Sure The Claims Administrator Has My Correct Address?

If your address changes from the address to which this Notice was directed, you must notify the Claims Administrator of your new address as soon as possible. Failure to keep the Claims Administrator informed of your address may result in the loss of any monetary award you might be eligible to receive. Please send your new contact information to the Claims Administrator at the address listed below and include your old address, new address, new telephone number, date of birth, and Social Security number. These last two items are required so that the Claims Administrator can verify that the address change is from an actual Settlement Class Member.

Hi-Crush Securities Litigation ADDRESS CHANGE
Claims Administrator
c/o GCG
P.O. Box 9349
Dublin, OH 43017-4249

K. What Are The Plaintiffs Being Paid?

Plaintiffs will receive only their proportionate share of the recovery, the same as all other Settlement Class Members. However, Lead Counsel may apply for the reimbursement of the reasonable costs and expenses incurred by Lead Plaintiffs in connection with the prosecution and resolution of the Consolidated Action as part of Lead Counsel's Fee and Expense Application.

L. What Are The Plaintiffs' Counsels' Fees And Costs?

At the Settlement Hearing, Plaintiffs' Counsel will request that the District Court award attorneys' fees of 33 1/3% of the Gross Settlement Fund, plus expenses (exclusive of administration costs) not to exceed $115,000 which were incurred in connection with the litigation of the Consolidated Action, plus interest thereon, which may include the reasonable costs and expenses incurred by Lead Plaintiffs directly related to their representation of the Settlement Class, plus interest on such expenses at the same rate as earned on the Settlement Amount. Whatever amount is approved by the Court as legal fees and expenses will be paid from the Gross Settlement Fund.

To date, Plaintiffs' Counsel have not received any payment for their services in conducting this action, nor has counsel been reimbursed for their substantial expenses. The fees requested by Plaintiffs' Counsel will compensate Plaintiffs' Counsel for their efforts in achieving the Gross Settlement Fund for the benefit of the Settlement Class, and for their risk in undertaking this representation on a wholly-contingent basis. If the amount requested is approved by the Court, the average cost per damaged unit will be $0.50.

M. How Will the Notice Costs and Expenses Be Paid?

Lead Counsel are authorized by the Stipulation to pay the Claims Administrator's fees and expenses incurred in connection with giving notice, administering the Settlement, and distributing the Net Settlement Fund to Settlement Class Members.

III. PLAINTIFFS' AND PLAINTIFFS' COUNSEL SUPPORT THE SETTLEMENT

Plaintiffs and their Counsel believe that the claims asserted against the Defendants have merit. Plaintiffs and their Counsel recognize, however, the expense and length of continued proceedings necessary to pursue their claims against these Defendants through trial and appeals, as well as the difficulties in establishing liability and damages at trial. Plaintiffs and their Counsel have also taken into account the possibility that the District Court would fail to certify the putative class and that the claims asserted in the Consolidated Action might have been dismissed in response to various motions the Defendants were expected to make, including motion for summary judgment, and have considered issues that would have been decided by a jury in the event of a trial of the Consolidated Action, including whether certain of the Defendants acted with an intent to mislead investors, whether all of the Settlement Class Members' losses were caused by the alleged misrepresentations or omissions and the amount of damages. Plaintiffs and their Counsel have considered the uncertain outcome and trial risk in complex lawsuits like this one, and that, even if they were successful, after the resolution of the appeals that were certain to be taken (which could take years to resolve), there may not be any funds in an amount significantly larger or even as much as the settlement amount. In addition, the limits on available insurance coverage and the fact that the insurance coverage provided to Defendants by the directors' and officers' policies would continue to be depleted by the costs of this ongoing litigation, were significant factors that Plaintiffs considered in connection with entering into the Settlement.

In light of the value of the Settlement and the immediacy of a cash recovery to the Settlement Class, Plaintiffs and their Counsel believe that the proposed Settlement is fair, reasonable, and adequate. Indeed, Plaintiffs and their Counsel believe that the Settlement achieved is an excellent result and in the best interests of the Settlement Class. The Settlement, which provides an immediate $3,800,000 in cash (less the various deductions described in this Notice), individually and collectively provides substantial benefits now as compared to the risk that a similar, smaller, or no recoveries would be achieved after a trial and appeals, possibly years in the future.

IV. WHAT OPPORTUNITY WILL I HAVE TO GIVE MY OPINION ABOUT THE SETTLEMENT?

A. How Can I Object To The Settlement, Plan of Allocation and Fee and Expense Application?

Any Settlement Class Member who does not request exclusion may object to the Settlement, the proposed Plan of Allocation, and/or the Fee and Expense Application. Objections must be in writing. You must file any written objection, together with copies of all other papers and briefs supporting the objection, with the Clerk's Office at the United States District Court for the Southern District of New York at the address set forth below on or before _____**, 2014**. Your written objection should include all reasons for the objection, including any legal and evidentiary support you wish to bring to the Court's attention. The objection must also include your name, address, telephone number, and the number of Units you purchased or acquired during the Class Period, including proof of your purchase or acquisition of Units. You must also serve the papers on designated representative Lead Counsel and Defendants' counsel at the addresses set forth below for their respective counsel so that the papers are ***received*** **on or before _____, 2014.**

To be considered, your objection must be filed with the Office of the Clerk's Office no later than _____**, 2014**, to:

Clerk's Office	**Defendants' Counsel**	**Lead Counsel**
Clerk of the Court United States District Court Southern District of New York Daniel Patrick Moynihan United States Courthouse 500 Pearl Street New York, NY 10007 Re: *In re Hi-Crush Partners L.P. Securities Litigation* Case No. 12 Civ. 8557 (CM)	Michael C. Holmes, Esq. Vinson & Elkins L.L.P. 2001 Ross Avenue, Suite 3700 Dallas, TX 75201	Ira M. Press, Esq. Thomas W. Elrod, Esq. Beverly T. Mirza, Esq. Kirby McInerney LLP 825 Third Avenue, 16th Floor New York, NY 10022

You may file a written objection without having to appear at the Settlement Hearing. You may not, however, appear at the Settlement Hearing to present your objection unless you first filed and served a written objection in accordance with the procedures described above, unless the Court orders otherwise.

If you file an objection to the Settlement, Plan of Allocation, and/or the Fee and Expense Application you also have a right to appear at the Settlement Hearing either in person or through counsel hired by you at your own expense. You are not required, however, to hire an attorney to represent you in making written objections or in appearing at the Settlement Hearing. If you wish to be heard orally at the hearing in opposition to the approval of the Settlement, the Plan of Allocation, or the Fee and Expense Application, and if you file and serve a timely written objection as described above, you must also file a notice of appearance with the Clerk's Office and serve it on the Claims Administrator at the address set forth above. Persons who intend to object and desire to present evidence at the Settlement Hearing must include in their written objection or notice of appearance the identity of any witnesses they may call to testify and exhibits they intend to introduce into evidence at the hearing.

Unless the District Court orders otherwise, any Settlement Class Member who does not object in the manner described above will be deemed to have waived any objection and shall be forever foreclosed from making any objection to the

proposed Settlement, the proposed Plan of Allocation and the Plaintiffs' Fee and Expense Application. Settlement Class Members do not need to appear at the Settlement Hearing or take any other action to indicate their approval.

B. What Rights Am I Giving Up By Remaining In The Class?

If you remain in the Settlement Class, you will be bound by any orders issued by the District Court. For example, if the District Court approves the Settlement, the District Court will enter the Final Approval Order and Judgment. The Final Approval Order and Judgment will dismiss with prejudice the claims against the Defendants and will provide that, upon the Effective Date of the Settlement, Plaintiffs and each of the other members of the Settlement Class on behalf of themselves, their respective heirs, executors, administrators, predecessors, successors, and assigns, among others, shall be deemed by operation of law to have fully granted and completely discharged, dismissed with prejudice, settled and released, and agreed to be barred by a permanent injunction from the assertion of, Released Claims against any of the Released Parties and their attorneys.

"Released Claims" means any and all manner of claims, demands, rights, liabilities, losses, obligations, duties, damages, costs, debts, expenses, interest, penalties, sanctions, fees, attorneys' fees, actions, potential actions, causes of action, suits, judgments, decrees, matters, as well as issues and controversies of any kind, whether known or unknown, disclosed or undisclosed, accrued or unaccrued, apparent or unapparent, foreseen or unforeseen, suspected or unsuspected, fixed or contingent, including Unknown Claims, that Plaintiffs or any and all members of the Settlement Class ever had, now have, or may have, or otherwise could, can, or might assert, whether direct, individual, class, representative, legal, equitable, or of any other type, in their capacity as unitholders of Hi-Crush, against any of the Released Parties, whether based on state, local, foreign, federal, statutory, regulatory, common, or other law or rule (including, but not limited to, any claims under federal securities laws or state common law), which, now or hereafter, are based upon, arise out of, relate in any way to, or involve, directly or indirectly, any of the actions, transactions, occurrences, statements, representations, misrepresentations, omissions, allegations, facts, practices, events, claims, or any other matters, that were, could have been, or in the future can or might be alleged, asserted, set forth, or claimed in connection with the Consolidated Action or the subject matter of the Consolidated Action in any court, tribunal, forum, or proceeding, including, without limitation, any and all claims that are based upon, arise out of, relate in any way to, or involve, directly or indirectly, (i) Hi-Crush's public statements and SEC filings during the Class Period which arise out of or relate in any way to the subject matter of the Consolidated Action; (ii) actions taken by the Individual Defendants during the Class Period which arise out of or relate in any way to the subject matter of the Consolidated Action; (iii) any transaction in Hi-Crush securities by any Defendant or affiliated entity during the Class Period; and (iv) public statements made by the Individual Defendants during the Class Period which arise out of or relate in any way to the subject matter of the Consolidated Action; *provided*, *however*, that the Released Claims shall not include the right to enforce the Stipulation of Settlement.

"Released Parties" means, whether or not each or all of the following Persons or entities were named in the Consolidated Action or any related suit, (i) any and all Defendants and former defendants in this Action, including but not limited to the Individual Defendants and the Underwriter Defendants; (ii) any Person which is, was, or will be related to or affiliated with any or all of the Defendants or in which any or all of the Defendants has, had, or will have a controlling interest; and (iii) the respective past or present direct or indirect family members, spouses, heirs, trusts, trustees, receivers, executors, estates, administrators, beneficiaries, distributees, foundations, agents, employees, fiduciaries, general partners, limited partners, partnerships, joint ventures, affiliated investment funds, affiliated investment vehicles, affiliated investment managers, affiliated investment management companies, member firms, corporations, parents, subsidiaries, divisions, affiliates, associated entities, stockholders, principals, officers, directors, managing directors, members, managers, predecessors, predecessors-in-interest, successors, successors-in-interest, assigns, bankers, underwriters, brokers, dealers, lenders, attorneys, insurers, co-insurers, re-insurers, and associates of each and all of the foregoing.

"Unknown Claims" means any claim that Plaintiffs or any members of the Settlement Class does not know or suspect exists in his, her, or its favor at the time of the release of the Released Claims as against the Released Parties, including, without limitation, those claims which, if known, might have affected the decision to enter into the Stipulation. With respect to any of the Released Claims, the Parties stipulate and agree that upon final approval of the Settlement, Plaintiffs shall expressly and

each member of the Settlement Class shall be deemed to have waived, relinquished, and released any and all provisions, rights, and benefits conferred by or under California Civil Code § 1542 or any law of the United States or any state of the United States, or principle of common law, which is similar, comparable, or equivalent to California Civil Code § 1542, which provides:

> A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.

Plaintiffs acknowledge, and the members of the Settlement Class by operation of law shall be deemed to have acknowledged, that they may discover facts in addition to or different from those now known or believed to be true with respect to the Released Claims, but that it is the intention of Plaintiffs, and by operation of law the members of the Settlement Class, to completely, fully, finally, and forever extinguish any and all Released Claims, known or unknown, suspected or unsuspected, which now exist, or previously existed, or may hereafter exist, and without regard to the subsequent discovery of additional or different facts. Plaintiffs acknowledge, and the members of the Settlement Class by operation of law shall be deemed to have acknowledged, that the inclusion of Unknown Claims in the definition of Released Claims was separately bargained for, was a material element of the Settlement, and was relied upon by each and all of the Defendants in entering into the Stipulation of Settlement.

The Final Approval Order and Judgment will also provide that, upon the Effective Date of the Settlement, each Defendant, on behalf of himself, herself, or itself, his, her or its heirs, executors, administrators, predecessors, successors, and assigns, shall be deemed by operation of law to have fully granted and completely discharged, dismissed with prejudice, settled and released, and agreed to be barred by a permanent injunction from the assertion of Released Defendants' Claims against Plaintiffs, Plaintiffs' Counsel and the other members of the Settlement Class and their respective counsel.

"Released Defendants' Claims" means any and all claims, rights, liabilities, or causes of action, whether based on federal, state, local, statutory, or common law or any other law, rule, or regulation, including both known claims and Unknown Claims, that have been or could have been asserted in the Consolidated Action or any forum by the Defendants or Released Parties, against any of the Plaintiffs and Plaintiffs' Counsel, other members of the Settlement Class or their respective attorneys, which arise out of or relate in any way to the institution, prosecution, defense, and the settlement of the Consolidated Action; *provided*, *however*, that the release of Plaintiffs and Plaintiffs' Counsel, and Settlement Class Members and their counsel, shall not include the right to enforce the Stipulation of Settlement. Released Defendants' Claims also do not include, release, bar, or waive claims against any Person who submits a request for exclusion from the Settlement Class and who does not withdraw his, her, or its request for exclusion and whose request is accepted by the District Court.

V. SETTLEMENT HEARING

The District Court will hold a Settlement Hearing at ___:_____ __.m. on _____, 2014 in Courtroom 17C of the United States District Court for the Southern District of New York, Daniel Patrick Moynihan United States Courthouse, 500 Pearl Street, New York, NY 10007, to determine whether the Settlement should be finally approved as fair, reasonable, and adequate. The District Court will also be asked to approve the proposed Plan of Allocation and the Fee and Expense Award. The District Court may adjourn or continue the Settlement Hearing without further notice to the Settlement Class. If you intend to attend the Settlement Hearing, you should confirm the date and time with Lead Counsel.

Settlement Class Members do not need to attend the Settlement Hearing. The District Court will consider any submission made in accordance with the provisions in this Notice even if the Settlement Class Member does not attend the hearing. You can participate in the Settlement without attending the Settlement Hearing. You are not obligated to attend the Settlement Hearing.

VI. GETTING MORE INFORMATION

This Notice is a summary and does not describe all of the details of the Stipulation. For precise terms and conditions of the Settlement, you may review the Stipulation filed with the District Court, as well as the other pleadings and records of this litigation, which may be inspected during business hours, at the office of the Clerk of the Court, United States District Court, Southern District of New York, Daniel Patrick Moynihan United States Courthouse, 500 Pearl Street, New York, NY 10007, at [www.HiCrushSecuritiesLitigation.com], or from Lead Counsel's website, www.kmllp.com. Settlement Class Members without access to the internet may be able to review this document online at locations such as a public library.

If you have any questions about the settlement of the Consolidated Action, you may contact Lead Counsel:

Ira M. Press
Thomas W. Elrod
Beverly T. Mirza
KIRBY McINERNEY LLP
825 Third Avenue, 16th Floor
New York, NY 10022
Tel: (212) 371-6600

You may also call or write to the Claims Administrator at Hi-Crush Securities Litigation, c/o GCG, P.O. Box 9349, Dublin, OH 43017-4249, or call 1-800-231-1815, stating that you are requesting assistance regarding the Hi-Crush litigation.

DO NOT TELEPHONE OR WRITE THE DISTRICT COURT OR THE OFFICE OF THE CLERK OF THE COURT REGARDING THIS NOTICE.

DATED: _____, 2014

BY ORDER OF THE DISTRICT COURT,
UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

EXHIBIT A-2

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

IN RE: HI-CRUSH PARTNERS L.P. SECURITIES LITIGATION	Civil Action No. 12-Civ-8557 (CM)

SUMMARY NOTICE

TO: ALL PERSONS WHO PURCHASED OR OTHERWISE ACQUIRED ANY UNIT(S) OF HI-CRUSH PARTNERS, L.P. ("HI-CRUSH") AT ANY TIME DURING THE PERIOD BEGINNING ON AND INCLUDING SEPTEMBER 25, 2012 THROUGH AND INCLUDING NOVEMBER 12, 2012, AND WHO WERE ALLEGEDLY DAMAGED THEREBY

YOU ARE HEREBY NOTIFIED, pursuant to an Order of the United States District Court for the Southern District of New York (the "District Court"), that a hearing will be held at ___:_____ __.m. on _____, 2014 before the Honorable Colleen McMahon, United States District Court Judge, in Courtroom 17C, at the Daniel Patrick Moynihan United States Courthouse, 500 Pearl Street, New York, New York, for the purpose of determining (1) whether the proposed settlement of the Consolidated Action for the principal amount of $3,800,000, plus accrued interest, should be approved by the District Court as fair, reasonable, and adequate; (2) whether the Final Approval Order and Judgment should be entered by the District Court dismissing the Consolidated Action with prejudice; (3) whether the proposed Plan of Allocation is fair, reasonable, and adequate and, therefore, should be approved; and (4) whether the Fee and Expense Application should be approved. In connection with the Fee and Expense Application, Lead Counsel will request attorneys' fees of 33 1/3% of the Gross Settlement Fund, plus expenses (exclusive of administration costs) not to exceed $115,000.

If you purchased or otherwise acquired common units in Hi-Crush during the period from September 25, 2012 through November 12, 2012, inclusive, your rights may be affected by the settlement of the Consolidated Action. If you have not received a detailed Notice of Pendency of Class Action and Proposed Settlement, Settlement Fairness Hearing, and Motion For an Award of Attorneys' Fees and Reimbursement of Litigation Expenses (the "Notice") and a copy of the Claim Form, you may obtain copies by writing to Hi-Crush Securities Litigation, c/o GCG, P.O. Box 9349, Dublin, OH 43017-4249, or by calling 1-800-231-1815, or on the internet at www.HiCrushSecuritiesLitigation.com, or from Lead Counsel's website at www.kmllp.com. If you are a Settlement Class Member, in order to share in the distribution of the Net Settlement Fund, you must submit a Claim Form, postmarked on or before _____, 2014, establishing that you are entitled to recovery.

If you desire to be excluded from the Settlement Class, you must submit a request for exclusion postmarked by no later than _____, 2014, in the manner and form explained in the detailed Notice referred to above. All members of the Settlement Class who have not timely and validly requested exclusion from the Settlement Class will be bound by any judgment entered in the Consolidated Action pursuant to the Stipulation of Settlement dated as of September 12, 2014. If you properly and timely exclude yourself from the Settlement Class, you

will not be bound by any judgments or orders entered by the Court in the Action and you will not be eligible to share in the proceeds of the Settlement.

Any objections to any aspect of the proposed Settlement, the proposed Plan of Allocation or Lead Counsel's application for an award of attorneys' fees and reimbursement of expenses, must be filed with the Court and delivered to designated representative Lead Counsel and counsel for the Defendants such that they are *received* no later than _____, 2014, in accordance with the instructions set forth in the Notice.

PLEASE DO NOT CONTACT THE DISTRICT COURT OR THE CLERK'S OFFICE REGARDING THIS NOTICE. If you have any questions about the Settlement, you may contact Lead Counsel:

Ira M. Press, Esq.
Thomas W. Elrod. Esq.
Beverly T. Mirza, Esq.
KIRBY McINERNEY LLP
825 Third Avenue, 16th
New York, NY 10022
Tel: (212) 371-6600

DATED: _____, 2014

BY ORDER OF THE DISTRICT COURT, UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF NEW YORK

EXHIBIT A-3

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

IN RE: HI-CRUSH PARTNERS L.P. SECURITIES LITIGATION	Civil Action No. 12-Civ-8557 (CM)

PROOF OF CLAIM AND RELEASE

I. GENERAL INSTRUCTIONS

1. To recover as a member of the Settlement Class based on your claims in the action entitled *In re Hi-Crush Partners, L.P. Securities Litigation*, 12 Civ. 8557 (the "Consolidated Action"), you must complete and, on page 12 hereof, sign this Proof of Claim and Release (the "Claim Form"). If you fail to file a properly addressed (as set forth in section 3 below) Claim Form, your Claim may be rejected and you may be precluded from any recovery from the Net Settlement Fund created in connection with the proposed Settlement of the Consolidated Action.[1]

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

3. YOU MUST MAIL YOUR COMPLETED AND SIGNED CLAIM FORM POSTMARKED ON OR BEFORE _____, 2014, ADDRESSED AS FOLLOWS:

Hi-Crush Securities Litigation
Claims Administrator
c/o GCG
P.O. Box 9349
Dublin, OH 43017-4249
1-800-231-1815
www.HiCrushSecuritiesLitigation.com

[1] Otherwise undefined terms have the definitions provided in the Stipulation of Settlement, dated September 12, 2014 (the "Stipulation").

If you are NOT a Member of the Settlement Class, as defined in the Notice of Pendency of Class Action and Proposed Settlement, Proposed Settlement Fairness Hearing, and Motion for an Award of Attorneys' Fees and Reimbursement of Litigation Expenses (the "Notice"), DO NOT submit a Claim Form.

4. If you are a Member of the Settlement Class, you are bound by the terms of any judgment entered in the Consolidated Action, WHETHER OR NOT YOU SUBMIT A CLAIM FORM.

II. DEFINITIONS

1. "Defendants" means Hi-Crush Partners, L.P. ("Hi-Crush" or the "Partnership"), Hi-Crush GP, LLC ("Hi-Crush GP"), Robert E. Rasmus, James M. Whipkey, Laura C. Fulton, and Jefferies V. Alston, III.

2. "Released Parties" and "Released Claims" are defined below.

III. CLAIMANT IDENTIFICATION

1. If you purchased or otherwise acquired Hi-Crush common units and held the certificate(s) in your name, you are the beneficial purchaser/acquirer, as well as the record purchaser/acquiror. If, however, the certificate(s) were registered in the name of a third party, such as a nominee or brokerage firm, you are the beneficial purchaser/acquiror and the third party is the record purchaser/acquiror.

2. In Section IV below, use Part I of the form entitled "Claimant Identification" to identify each purchaser or acquiror of record, if different from the beneficial purchaser or acquiror of the Hi-Crush common units that forms the basis of this Claim. THIS CLAIM MUST BE FILED BY THE ACTUAL BENEFICIAL PURCHASER(S) OR ACQUIROR(S), OR THE LEGAL REPRESENTATIVE OF SUCH PURCHASER(S) OR ACQUIROR(S) OF HI-CRUSH

COMMON UNITS UPON WHICH THIS CLAIM IS BASED, ***NOT*** THE RECORD PURCHASER or ACQUIROR.

3. All joint purchasers or acquirors must sign this Claim Form. Executors, administrators, guardians, conservators, and trustees must complete and sign this Claim Form on behalf of Persons represented by them and their authority must accompany this Claim Form 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.

IV. CLAIM FORM

1. Use Part II of this Claim Form, entitled "Schedule of Transactions in Hi-Crush Common Units," to supply all required details of your transaction(s) in Hi-Crush common units. 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 with respect to *all* of your purchases and acquisitions and *all* of your sales of Hi-Crush common units that took place from September 25, 2012 and February 13, 2013, both dates inclusive (the "Settlement Class Period"), whether such transactions resulted in a profit or a loss. Failure to report all such transactions may result in the rejection of your Claim.

3. List each transaction in the Class Period separately and in chronological order, by trade date, beginning with the earliest. You must accurately provide the month, day, and year of each transaction you list.

4. The date of covering a "short sale" is deemed to be the date of purchase or acquisition of Hi-Crush common units. The date of a "short sale" is deemed to be the date of sale of Hi-Crush common units.

5. Broker confirmations or other documentation of your transactions in Hi-Crush common units ***must*** be attached to your Claim. Do ***not*** send original documents, including security certificates. If you no longer have copies of your broker's confirmations or statements, your broker may be able to get you copies. Failure to provide this documentation could delay verification of your Claim or result in rejection of your Claim.

6. The above requests are designed to provide the minimum amount of information necessary to process the most simple claims. The Claims Administrator may request additional information as required to efficiently and reliably calculate your losses. In some cases where the Claims Administrator cannot perform the calculation accurately or at a reasonable cost to the Settlement Class with the information provided, the Claims Administrator may condition acceptance of the Claim upon the production of additional information and/or the hiring of an accounting expert at the Claimant's cost.

UNITED STATES DISTRICT COURT

SOUTHERN DISTRICT OF NEW YORK

In re Hi-Crush Partners, L.P. Securities Litigation

Civil Action No. 12-Civ-8557 (CM)

CLAIM FORM

Must be Postmarked No Later Than:

_____, 2014

Please Type or Print

PART I: CLAIMANT IDENTIFICATION

_____
Beneficial Owner's Name (First, Middle, Last)

_____
Street Address

_____ _____
City State Zip Code

_____ _____
Foreign Province Foreign Country

_____ _____ Individual
Social Security Number or
Taxpayer Identification Number _____ Corporation/Other

_____ _____ (work)
Area Code Telephone Number

_____ _____ (home)
Area Code Telephone Number

_____
Record Owner's Name (if different from beneficial owner listed above)

PART II: SCHEDULE OF TRANSACTIONS IN HI-CRUSH COMMON UNITS

A. Number of units held at the beginning of trading on September 25, 2012: _____

B. Purchases or Acquisitions of units from September 25, 2012 through February 13, 2013, inclusive (excluding short sales):[2]

Trade Date (Mo./Day/Year	Number of Units Purchased or Acquired	Purchase or Acquisition Price Per Unit	Net Purchase or Acquisition Price (less commissions and fees)	Check this box if the Purchase was the result of the exercise or assignment of an option[1]
				☐
				☐
				☐
				☐

C. Sales from September 25, 2012 through February 13, 2013, inclusive (excluding short sales):

Trade Date (Mo./Day/Year	Number of Units Sold	Sale Price Per Unit	Net Sale Price (less commissions and fees)	Units Sold Short (Y/N)

D. Number of units of units held at close of trading on February 13, 2013: _____

If you require additional space, attach extra schedules in the same format as above. Sign and print your name on each additional page.

YOU MUST READ AND SIGN THE RELEASE ON PAGES 7-11.

[1] If you check the box to indicate that the purchase or sale was the result of the exercise or assignment of an options contract, you must provide documentation to support both the options purchase or sale and the exercise or assignment to purchase common stock.

[2] Information requested with respect to your purchases/acquisitions of Hi-Crush common units from November 13, 2012 through and including February 13, 2013 is needed in order to balance your claim;

purchases/acquisitions during this period, however, are not eligible under the Settlement and will not be used for purposes of calculating your Recognized Claim pursuant to the Plan of Allocation.

V. SUBMISSION TO JURISDICTION OF COURT AND ACKNOWLEDGMENTS

I (We) submit this Claim Form under the terms of the Stipulation described in the Notice. I (We) also submit to the jurisdiction of the United States District Court for the Southern District of New York with respect to my Claim as a Settlement Class Member (as defined in the Notice) and for purposes of enforcing the release set forth herein. I (We) further acknowledge that I (we) am (are) bound by and subject to the terms of any judgment that may be entered in the Consolidated Action. I (We) agree to furnish additional information to Lead Counsel to support this Claim if required to do so. I (We) have not submitted any other Claim covering the same purchases or acquisitions or sales of Hi-Crush common units during the Class Period and know of no other Person having done so on my (our) behalf.

VI. RELEASE

1. I (We) hereby acknowledge full and complete satisfaction of, and do hereby fully, finally and forever settle, release, relinquish and discharge, all of the Released Claims against each and all of the Defendants and each and all of the "Released Parties," defined as (i) any and all Defendants and former defendants in this Action, including but not limited to the Individual Defendants and the Underwriter Defendants; (ii) any Person which is, was, or will be related to or affiliated with any or all of the Defendants and former defendants in this Action, including but not limited to the Individual Defendants and the Underwriter Defendants, or in which any or all of the Defendants or former defendants in this Action, including but not limited to the Individual Defendants and the Underwriter Defendants, has, had, or will have a controlling interest; and (iii) the respective past or present direct or indirect family members, spouses, heirs, trusts, trustees, receivers, executors, estates, administrators, beneficiaries, distributees, foundations, agents,

employees, fiduciaries, general partners, limited partners, partnerships, joint ventures, affiliated investment funds, affiliated investment vehicles, affiliated investment managers, affiliated investment management companies, member firms, corporations, parents, subsidiaries, divisions, affiliates, associated entities, stockholders, principals, officers, directors, managing directors, members, managers, predecessors, predecessors-in-interest, successors, successors-in-interest, assigns, bankers, underwriters, brokers, dealers, lenders, attorneys, insurers, co-insurers, re-insurers, and associates of each and all of the foregoing..

2. "Released Claims" means any and all manner of claims, demands, rights, liabilities, losses, obligations, duties, damages, costs, debts, expenses, interest, penalties, sanctions, fees, attorneys' fees, actions, potential actions, causes of action, suits, judgments, decrees, matters, as well as issues and controversies of any kind, whether known or unknown, disclosed or undisclosed, accrued or unaccrued, apparent or unapparent, foreseen or unforeseen, suspected or unsuspected, fixed or contingent, including Unknown Claims, that Plaintiffs or any and all members of the Settlement Class ever had, now have, or may have, or otherwise could, can, or might assert, whether direct, individual, class, representative, legal, equitable, or of any other type, in their capacity as unitholders of Hi-Crush, against any of the Released Parties, whether based on state, local, foreign, federal, statutory, regulatory, common, or other law or rule (including, but not limited to, any claims under federal securities laws or state common law), which, now or hereafter, are based upon, arise out of, relate in any way to, or involve, directly or indirectly, any of the actions, transactions, occurrences, statements, representations, misrepresentations, omissions, allegations, facts, practices, events, claims, or any other matters, that were, could have been, or in the future can or might be alleged, asserted, set forth, or claimed in connection with the Consolidated Action or the subject matter of the Consolidated

Action in any court, tribunal, forum, or proceeding, including, without limitation, any and all claims that are based upon, arise out of, relate in any way to, or involve, directly or indirectly, (i) Hi-Crush's public statements and SEC filings during the Class Period which arise out of or relate in any way to the subject matter of the Consolidated Action; (ii) actions taken by the Individual Defendants during the Class Period which arise out of or relate in any way to the subject matter of the Consolidated Action; (iii) any transaction in HI-Crush securities by any Defendant or affiliated entity during the Class Period; and (iv) public statements made by the Individual Defendants during the Class Period which arise out of or relate in any way to the subject matter of the Consolidated Action; *provided*, *however*, that the Released Claims shall not include the right to enforce the Stipulation of Settlement.

3. "Unknown Claims" means any claim that Plaintiffs or any members of the Settlement Class does not know or suspect exists in his, her, or its favor at the time of the release of the Released Claims as against the Released Parties, including, without limitation, those claims which, if known, might have affected the decision to enter into the Stipulation. With respect to any of the Released Claims, the Parties stipulate and agree that upon final approval of the Settlement, Plaintiffs shall expressly and each member of the Settlement Class shall be deemed to have waived, relinquished, and released any and all provisions, rights, and benefits conferred by or under California Civil Code § 1542 or any law of the United States or any state of the United States, or principle of common law, which is similar, comparable, or equivalent to California Civil Code § 1542, which provides:

> A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.

Plaintiffs acknowledge, and the members of the Settlement Class by operation of law shall be deemed to have acknowledged, that they may discover facts in addition to or different from those now known or believed to be true with respect to the Released Claims, but that it is the intention of Plaintiffs, and by operation of law the members of the Settlement Class, to completely, fully, finally, and forever extinguish any and all Released Claims, known or unknown, suspected or unsuspected, which now exist, or previously existed, or may hereafter exist, and without regard to the subsequent discovery of additional or different facts. Plaintiffs acknowledge, and the members of the Settlement Class by operation of law shall be deemed to have acknowledged, that the inclusion of Unknown Claims in the definition of Released Claims was separately bargained for, was a material element of the Settlement, and was relied upon by each and all of the Defendants in entering into the Stipulation of Settlement.

4. This release shall be of no force or effect unless and until the District Court approves the Stipulation and it becomes effective on the Effective Date.

5. 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.

6. I (We) hereby warrant and represent that I (we) have included information about all of my (our) transactions in Hi-Crush common units that occurred during the Class Period, as well as the number and type of Hi-Crush common units held by me (us) at the opening of trading on September 25, 2012, and at the close of trading on February 13, 2013.

_____ _____

Name Date

SUBSTITUTE FORM W-9

Request for Taxpayer Identification Number ("TIN") and Certification

PART I

NAME: _____

Check appropriate box:

☐	Individual/Sole Proprietor	☐	Pension Plan		
☐	Corporation	☐	Partnership	☐	Trust
☐	IRA	☐	Other		

Enter TIN on appropriate line.

- o For individuals, this is your Social Security Number ("SSN").
- o For sole proprietors, you must show your individual name, but your may also enter your business or "doing business as" name. You may enter either your SSN or your Employer Identification Number ("EIN").
- o For other entities, it is your EIN.

_ _ _ – _ _ – _ _ _ _ or _ _ _ – _ _ – _ _ _ _
Social Security Number Employer Identification Number

PART II

For Payees Exempt from Backup Withholding

If you are exempt from backup withholding, enter your correct TIN in Part I and write "exempt" on the following line: _____

PART III

Certification

UNDER THE PENALTY OF PERJURY, I (WE) CERTIFY THAT:

1. The number shown on this form is my correct TIN; and
2. 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 because: (a) I am (we are) exempt from backup withholding; or (b) I (we) have not been notified by the Internal Revenue Service that I am (we are) subject to backup withholding as a result of a failure to report all interest or dividends; or (c) the Internal Revenue Service has notified me (us) that I am (we are) no longer subject to backup withholding.

NOTE: If you have been notified by the Internal Revenue Service that you are subject to backup withholding, you must cross out Item 2 above.

SEE ENCLOSED FORM W-9 INSTRUCTIONS

The Internal Revenue Service does not require your consent to any provision of this document other than the certification required to avoid backup withholding.

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

Executed this _____ day of _____,
(Month/Year)

in _____, _____.
(City) (State/Country)

_____
(Sign your name here)

_____
(Type or print your name here)

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

ACCURATE CLAIMS PROCESSING TAKES A

SIGNIFICANT AMOUNT OF TIME.

THANK YOU FOR YOUR PATIENCE.

Reminder Checklist:

1. Please sign the above release and declaration.
2. Remember to attach supporting documentation, if available.
3. Do not send original stock certificates or originals of any supporting documents.

4. Keep a copy of your Claim Form and all documentation submitted for your records.

5. If you desire an acknowledgment of receipt of your Claim Form, please send it Certified Mail, Return Receipt Requested.

If you move, please send your new address to the Claims Administrator at the address below:

In re: Hi-Crush Partners L.P. Securities Litigation
Claims Administrator
c/o GCG
P.O. Box 9349
Dublin, OH 43017-4249
1-800-231-1815
www.HiCrushSecuritiesLitigation.com

EXHIBIT B

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

IN RE: HI-CRUSH PARTNERS L.P. SECURITIES LITIGATION	Civil Action No. 12-Civ-8557 (CM)

FINAL APPROVAL ORDER

WHEREAS, a consolidated class action is pending in this Court, captioned *In re Hi-Crush Partners, L.P. Securities Litigation*, 12 Civ. 8557 (CM) (the "Consolidated Action");

WHEREAS, (i) Lead Plaintiffs HITE Hedge LP and HITE MLP LP (collectively, "Plaintiffs"), on behalf of themselves and the Settlement Class, and (ii) Defendants Hi-Crush Partners LP ("Hi-Crush" or the "Partnership"), Hi-Crush GP LLC ("Hi-Crush GP"), Robert E. Rasmus, James M. Whipkey, Laura C. Fulton, and Jefferies V. Alston, III (collectively, "Defendants") entered into the Stipulation of Settlement dated September 12, 2014, providing for the settlement of the Consolidated Action and release of all Released Claims and Released Defendants' Claims, which include Unknown Claims, on the terms and conditions set forth in the Stipulation, subject to approval of this Court (the "Settlement");

WHEREAS, unless otherwise defined in this Judgment, the capitalized terms herein shall have the same meaning as they have in the Stipulation;

WHEREAS, in the Preliminary Approval Order dated _____, 2014, this Court (a) preliminarily approved the Settlement; (b) preliminarily certified the Consolidated Action as a class action for settlement purposes; (c) ordered that notice of the proposed Settlement be provided to potential Settlement Class Members; (d) provided Settlement Class Members with the opportunity either to exclude themselves from the Settlement Class or to object to the proposed Settlement; and (e) scheduled a hearing regarding final approval of the Settlement;

WHEREAS, due and adequate notice has been given to the Settlement Class;

WHEREAS, the Court conducted a hearing on [ ] [ ], 2014 (the "Settlement Hearing") to consider, among other things, (i) whether the terms and conditions of the Settlement are fair, reasonable, and adequate and should therefore be approved; (ii) whether a judgment should be entered dismissing the Consolidated Action with prejudice as against the Defendants; (iii) whether to approve the Plan of Allocation as a fair and reasonable method to allocate the settlement proceeds among the members of the Settlement Class; and (iv) whether and in what amount to award Plaintiffs' Counsel's fees and reimbursement of expenses;

WHEREAS, the Court having reviewed and considered the Stipulation, all papers filed and proceedings held in connection with the Settlement, and the record in the Consolidated Action, and with good cause appearing therefor;

NOW, THEREFORE, IT IS HEREBY ORDERED, ADJUDGED, AND DECREED THAT:

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

2. The Court has jurisdiction over the subject matter of the Consolidated Action and over all Parties to the Consolidated Action, including, but not limited to, the Plaintiffs, all Settlement Class Members, and the Defendants.

3. Plaintiffs are hereby appointed, for settlement purposes only, as Settlement Class Representatives in respect of the Settlement Class for purposes of Federal Rule of Civil Procedure 23. Kirby McInerney LLP, which was appointed by the Court to serve as Lead Counsel, is hereby appointed, for settlement purposes only, as counsel for the Settlement Class pursuant to Rules 23(c)(1)(B) and (g) of the Federal Rules of Civil Procedure.

4. The Settlement Class that this Court preliminarily certified in the Preliminary Approval Order is hereby finally certified for settlement purposes under Federal Rule of Civil Procedure 23(b)(3).

5. Pursuant to the Preliminary Approval Order, the Court certified, for settlement purposes only, a Settlement Class consisting of:

> All Persons who purchased or otherwise acquired Hi-Crush units during the Class Period, and who were allegedly damaged thereby. Excluded from the Class are Defendants, the current or former officers and directors of the Partnership, members of the Individual Defendants' immediate families, and any Person, firm, trust, corporation, officer, director, or other individual or entity in which any Defendant has, had, or will have a controlling interest or which is related to or affiliated with, through ownership of a controlling interest or common ownership of a controlling interest, any Defendant; also excluded from the Class are the legal representatives, heirs, administrators, successors-in-interest, or assigns of any such excluded party.

6. In addition to those Persons excluded from the Settlement Class by the class definition, excluded from the Settlement Class are those persons identified on Exhibit A, annexed hereto, who filed timely and valid requests for exclusion.

7. In granting final certification of the Settlement Class, the Court finds that the prerequisites for a class action under Federal Rules of Civil Procedure 23(a) and (b)(3) have been satisfied in that: (a) the number of Settlement Class Members is so numerous that joinder of all members thereof is impracticable; (b) there are questions of law and fact common to the Settlement Class; (c) the claims of the named representatives are typical of the claims of the Settlement Class they seek to represent; (d) Lead Plaintiffs and Lead Counsel will fairly and adequately represent the interests of the Settlement Class; (e) the questions of law and fact common to the members of the Settlement Class predominate over any questions affecting only individual members of the Settlement Class; and (f) a class action is superior to other available methods for the fair and efficient adjudication of the controversy.

8. The Stipulation and the Settlement are approved as fair, reasonable, and adequate, and in the best interests of the Settlement Class, and the Settlement Class Members and the Parties to the Stipulation are directed to implement the Stipulation in accordance with its terms and provisions.

9. The complaints filed in the Consolidated Action are hereby dismissed with prejudice and without costs, except as provided in the Stipulation.

10. The Court finds that the complaints filed in the Consolidated Action were filed on a good faith basis in accordance with the Private Securities Litigation Reform Act of 1995 ("PSLRA") and Rule 11 of the Federal Rules of Civil Procedure. The Court further finds that during the course of the Consolidated Action, the Parties and their respective counsel at all times complied with the requirements of Rule 11 of the Federal Rules of Civil Procedure.

11. The Notice was disseminated and published in accordance with the Preliminary Approval Order. The form and method of notifying the Settlement Class of the pendency of the Consolidated Action as a class action and of the terms and conditions of the proposed Settlement satisfied the requirements of Rule 23 of the Federal Rules of Civil Procedure, the Securities Exchange Act of 1934 (as amended by the PSLRA), due process, and any other applicable law, constituted the best notice practicable under the circumstances, and constituted due and sufficient notice to all Persons entitled thereto.

12. Neither this Judgment, the Stipulation, the Supplemental Agreement, nor any negotiations or proceedings connected thereto, nor any of the documents, provisions, or statements referred to therein: (i) is, or shall be deemed to be, or shall be used as an admission of any Defendant, any Released Party, or any other Person of the validity of any Released Claims, or any wrongdoing by or liability of any Defendant or Released Party; (ii) is, or shall be deemed

to be, or shall be used as an admission of any fault or omission of any Defendant or any Released Party in any statement, release, or written documents issued, filed, or made; (iii) shall be offered or received in evidence against any Defendant or Released Party in any civil, criminal, or administrative action or proceeding in any court, administrative agency, or other tribunal other than such proceedings as may be necessary to consummate or enforce the Stipulation, the Settlement set forth therein, the releases provided pursuant thereto, and/or the Final Approval Order, except that the Stipulation may be filed in this Consolidated Action or in any subsequent action brought against any of the Defendants, their insurers, and/or any of the Released Parties in order to support a defense or counterclaim of any Defendant and/or any Released Party of *res judicata*, collateral estoppel, release, good faith settlement, or any theory of claim or issue preclusion or similar defense or counterclaim, including, without limitation, specific performance of the Settlement embodied in the Stipulation as injunctive relief; (iv) shall be construed against the Defendants, Released Parties, Plaintiffs, and members of the Settlement Class as an admission or concession that the consideration to be given hereunder represents the amount which could be or would have been recovered after trial; and (v) shall be construed as or received in evidence as an admission, concession, or presumption against Plaintiffs and members of the Settlement Class or any of them that any of their claims are without merit or that damages recoverable in the Consolidated Action would not have exceeded the Gross Settlement Fund.

13. The releases set forth in Paragraphs 30 and 31 of the Stipulation (the "Releases"), together with the definitions contained in Section A of the Stipulation relating thereto, are expressly incorporated herein in all respects. The Releases are effective as of the Effective Date. Accordingly, this Court orders that, as of the Effective Date:

(a) the Releasors shall be deemed by operation of law to have fully granted and completely discharged, dismissed with prejudice, settled and released, and agreed to be barred by a permanent injunction from the assertion of, Released Claims against any of the Released Parties and their attorneys, and

(b) each Defendant, on behalf of himself, herself, or itself, as well as on behalf of his, her, or its heirs, executors, administrators, predecessors, successors, and assigns, shall be deemed by operation of law to have fully granted and completely discharged, dismissed with prejudice, settled and released, and agreed to be barred by a permanent injunction from the assertion of Released Defendants' Claims against Plaintiffs, Plaintiffs' Counsel and the other members of the Settlement Class and their respective counsel.

14. The terms of the Stipulation and of this Final Approval Order and Judgment shall be forever binding on Defendants, Plaintiffs, and all other Settlement Class Members (regardless of whether or not any individual Settlement Class Member submits a Claim Form or seeks or obtains a distribution from the Net Settlement Fund), as well as their respective heirs, executors, administrators, predecessors, successors, and assigns.

15. The Persons listed on Exhibit A, annexed hereto, have submitted requests for exclusion from the Settlement Class that were accepted by the Court. By virtue of such requests, those Persons are deemed not to be members of the Settlement Class, and have no rights to participate in the Settlement or to receive any distributions from the Net Settlement Fund. Except for those Persons listed on Exhibit A, no other persons have submitted requests for exclusion from the Settlement Class that were accepted by the Court. The Persons listed on

Exhibit A are the only Persons whose requests for exclusion have been accepted, and, as a consequence, these Persons are not bound by the terms of the Stipulation and this Judgment.

16. The Escrow Agent appointed by Lead Counsel shall maintain the Settlement Fund in accordance with the requirements set forth in the Stipulation. No Defendant, or any other Released Party, shall have any liability, obligation, or responsibility whatsoever for the administration of the Settlement or disbursement of the Net Settlement Fund. Lead Counsel, Plaintiffs, the Escrow Agent, and the Claims Administrator shall have no liability to any Settlement Class Member with respect to any aspect of the administration of the Settlement Fund, including, but not limited to, the processing of Claim Forms and the distribution of the Net Settlement Fund to Settlement Class Members.

17. The Plan of Allocation is approved as fair and reasonable, and Lead Counsel and the Claims Administrator are directed to administer the Stipulation in accordance with its terms and provisions.

18. Pursuant to the PSLRA, 15 U.S.C. § 78u-4(f)(7)(A), and applicable law, upon the Effective Date any and all claims, actions, allegations, causes of action, demands, or rights, however denominated and whether presently known or unknown, seeking contribution as that term is defined for purposes of the PSLRA or other law, or seeking indemnification for claims arising under the federal securities laws or for state law claims arising out of or related to the actions underlying the claims in the Consolidated Action, brought by any person against the Defendants are hereby barred and discharged.

19. Plaintiffs' counsel are hereby awarded _____% of the Gross Settlement Fund in attorneys' fees, which sum the Court finds to be fair and reasonable, and $_____ in reimbursement of expenses, which shall be paid to Plaintiffs' Counsel from the Gross Settlement

Fund with interest at the same net rate that the Gross Settlement Fund earns. The award of attorneys' fees shall be allocated among Plaintiffs' Counsel in a fashion which, in the opinion of Lead Counsel, fairly compensates Plaintiffs' Counsel for their respective contributions in the prosecution of the Consolidated Action.

20. In making this award of attorneys' fees and reimbursement of expenses, the Court has considered and found that:

(a) The Settlement has created a fund of $3,800,000 in cash, plus interest thereon, that is already on deposit, and numerous Settlement Class Members who submit, or have submitted, acceptable Claim Forms will benefit from the Settlement created by Plaintiffs' Counsel.

(b) Over _____ copies of the Notice Packet were disseminated to Settlement Class Members indicating that Plaintiffs' Counsel were moving for attorneys' fees in the amount of thirty-three and one-third percent (33 1/3%) of the Gross Settlement Fund and for reimbursement of expenses in an amount not to exceed $115,000 and _____ objections were filed against the Fee and Expenses Application filed by Plaintiffs' Counsel contained in the Notice;

(c) Plaintiffs' Counsel have litigated the Consolidated Action and achieved the Settlement with skill, perseverance, and diligent advocacy;

(d) The Consolidated Action involves complex factual and legal issues and, in the absence of a settlement, would involve further lengthy proceedings with uncertain resolution of the complex factual and legal issues;

(e) Had Plaintiffs' Counsel not achieved the Settlement, there would remain a significant risk that the Settlement Class may have recovered less or nothing from the Defendants;

(f) Plaintiffs' Counsel have devoted over _____ hours, with a lodestar value of $_____, to achieve the Settlement; and

(g) The amount of attorneys' fees awarded and expenses reimbursed from the Settlement Fund is fair, reasonable and consistent with fee and expense awards in similar cases.

21. The awarded attorneys' fees and expenses, and interest earned thereon, shall be paid to Lead Counsel from the Gross Settlement Fund immediately after the date this Final Approval Order and Judgment is executed subject to the terms, conditions, and obligations of the Stipulation, which terms, conditions, and obligations are incorporated herein.

22. Pursuant to 15 U.S.C. § 78u-4(a)(4), the Court hereby awards to the Settlement Class Representatives' expenses in the amount of _____ to compensate them for their reasonable costs and expenses directly relating to their representation of the Settlement Class.

23. This Court hereby retains exclusive jurisdiction over the Parties and the Settlement Class Members for all matters relating to this Consolidated Action, including the administration, interpretation, effectuation, or enforcement of the Stipulation and this Final Approval Order and Judgment, and including any application for fees and expenses incurred in connection with administering and distributing the settlement proceeds to the members of the Settlement Class.

24. In the event the Effective Date does not occur, then this Final Approval Order and Judgment shall be rendered null and void and shall be vacated and, in such event, the Stipulation,

and all orders entered and releases delivered in connection herewith, shall be null and void and, in such event, the provisions of Paragraphs 90 to 96 of the Stipulation shall apply.

25. Without further approval from the Court, the Parties are hereby authorized to agree to and adopt such amendments or modifications of the Stipulation or any exhibits attached thereto to effectuate the Settlement that: (i) are not materially inconsistent with this Final Approval Order and Judgment; and (ii) do not materially limit the rights of Settlement Class Members in connection with the Settlement. Without further order of the Court, the Parties may agree to reasonable extensions of time to carry out any of the provisions of the Stipulation.

26. As there is no just reason for delay in the entry of this Final Approval Order and Judgment, the Court hereby directs that this Final Approval Order and Judgment be entered by the clerk forthwith pursuant to Federal Rule of Civil Procedure 54(b). The direction of the entry of final judgment pursuant to Rule 54(b) is appropriate and proper because this judgment fully and finally adjudicates the claims of the Plaintiffs and the Settlement Class against the Defendants in this Consolidated Action, it allows consummation of the Settlement, and will expedite the distribution of the Settlement proceeds to the Settlement Class Members.

Dated: _____, 2014

_____
HONORABLE COLLEEN MCMAHON
UNITED STATES DISTRICT JUDGE

EXHIBIT 2

Memo Endorsed

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

IN RE: HI-CRUSH PARTNERS L.P. SECURITIES LITIGATION	Civil Action No. 12-Civ-8557 (CM)

PRELIMINARY APPROVAL ORDER

WHEREAS, a consolidated class action is pending in this Court, captioned *In re Hi-Crush Partners, L.P. Securities Litigation*, 12 Civ. 8557 (CM) (the "Consolidated Action");

WHEREAS, (i) Lead Plaintiffs HITE Hedge LP and HITE MLP LP (collectively, "Plaintiffs"), on behalf of themselves and the Settlement Class, and (ii) Defendants Hi-Crush Partners LP ("Hi-Crush" or the "Partnership"), Hi-Crush GP LLC ("Hi-Crush GP"), Robert E. Rasmus, James M. Whipkey, Laura C. Fulton, and Jefferies V. Alston, III (collectively, "Defendants") have entered into the Stipulation of Settlement dated September 12, 2014 ("Stipulation"), providing for the settlement of the Consolidated Action[1] and release of all Released Claims and Released Defendants' Claims, which include Unknown Claims, on the terms and conditions set forth in the Stipulation, subject to approval of this Court (the "Settlement");

WHEREAS, the Settling Parties having made an application, pursuant to Federal Rule of Civil Procedure 23(e), for an order preliminarily approving the settlement of the Consolidated Action in accordance with the Stipulation, which, together with the documents referenced therein, sets forth the terms and conditions for the proposed Settlement and dismissal of the claims alleged in the Consolidated Action against the Defendants with prejudice upon the terms and conditions set forth in the Stipulation; and the Court having considered the Stipulation and

[1] All capitalized terms used herein shall have the same meaning as they have in the Stipulation.

the accompanying documents, and all other pleadings herein; and the Parties to the Stipulation having consented to entry of this Order; and

WHEREAS, upon consent of the Settling Parties, after review and consideration of the Stipulation filed with the Court and the Exhibits annexed thereto, and after due deliberation,

IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that:

1. **Preliminary Certification of Settlement Class**. Pursuant to Rule 23 of the Federal Rules of Civil Procedure, and for purposes of the Settlement only, this Consolidated Action is hereby preliminarily certified as a class action with respect to all pending claims, on behalf of a Settlement Class consisting of Plaintiffs and any and all persons or entities that purchased or otherwise acquired Hi-Crush units during the period beginning on and including September 25, 2012 through and including November 12, 2012 (the "Class Period"), including any and all of their respective successors-in-interest, predecessors, legal representatives, trustees, executors, administrators, heirs, assignees, or transferees, immediate and remote, and any person or entity acting for or on behalf of, or claiming under, any of them, and each of them, but excluding Defendants, the officers and directors of the Partnership, members of the Individual Defendants' immediate families, and any Person, firm, trust, corporation, officer, director, or other individual or entity in which any Defendant has, had, or will have a controlling interest or which is related to or affiliated with, through ownership of a controlling interest or common ownership of a controlling interest, Defendants' immediate families, Defendants' legal representatives, heirs, successors, administrators, and assigns.

2. The Court preliminarily finds, for purposes of the Stipulation and the Settlement only, that the prerequisites for a class action under Rules 23(a) and (b)(3) of the Federal Rules of Civil Procedure have been satisfied in that: (a) the number of Settlement Class Members is so

numerous that joinder of all members thereof is impracticable; (b) there are questions of law and fact common to the Settlement Class; (c) the claims of the named representatives are typical of the claims of the Settlement Class they seek to represent; (d) Plaintiffs and Lead Counsel will fairly and adequately represent the interests of the Settlement Class; (e) the questions of law and fact common to the members of the Settlement Class predominate over any questions affecting only individual members of the Settlement Class; and (f) a class action is superior to other available methods for the fair and efficient adjudication of the controversy.

3. Pursuant to Rule 23 of the Federal Rules of Civil Procedure, and for the purposes of the Settlement only, Plaintiffs are provisionally certified as Class Representatives and Lead Counsel is provisionally appointed as counsel for the Settlement Class.

4. **Preliminary Approval of the Settlement**. The Court hereby preliminarily approves the Stipulation, including all Exhibits thereto, and the Settlement set forth therein, and preliminarily finds that the Settlement is sufficiently fair, reasonable, adequate, and adequate for purposes of Rule 23 of the Federal Rules of Civil Procedure, subject to further consideration at the Settlement Hearing to be conducted as described below.

5. **Settlement Hearing**. The Court will hold a settlement hearing (the "Settlement Hearing") on Dec 19, 2014 at 9:30 a.m. at the Daniel Patrick Moynihan United States Courthouse, 500 Pearl Street, Courtroom 17C, New York, New York, for the following purposes: (a) to determine whether, for settlement purposes only, the Court's preliminary certification of the Settlement Class pursuant to Rule 23(a) and Rule 23(b)(3) of the Federal Rules of Civil Procedure should be made final; (b) determine whether Plaintiffs may be designated as class representatives and Lead Counsel may be designated as counsel to the Settlement Class; (c) determine whether the Court should grant final approval of the proposed

Settlement on the terms and conditions provided for in the Stipulation as fair, reasonable, and adequate and in the best interest of the members of the Settlement Class; (d) whether judgment should be entered pursuant to the Stipulation, *inter alia*, dismissing the Consolidated Action and the Released Claims as to the Released Persons with prejudice as against Plaintiffs and the Settlement Class, releasing the Released Claims, and barring and enjoining prosecution of any and all Released Claims; (e) 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; (f) to determine whether the Fee and Expense Application should be approved; and (g) to consider any other matters that may properly be brought before the Court in connection with the Settlement. Notice of the Settlement and the Settlement Hearing shall be given to Settlement Class Members as set forth in Paragraphs 9 and 10 of this Order.

6. The Court may adjourn the Settlement Hearing and approve the proposed Settlement with such modifications as the affected Settling Parties may agree to, if appropriate, without further notice to the Settlement Class.

7. **Approval of Form and Content of Notice**. The Court: (a) approves, as to form and content, the Notice of Pendency of Class Action, Proposed Settlement of Class Action, and Settlement Hearing (the "Notice"), the Summary Notice, and the Claim Form, attached hereto as Exhibits A-1, A-2, and A-3, respectively; and (b) finds that the mailing and distribution of the Notice and Claim Form and the publication of the Summary Notice in the manner and form set forth in Paragraph 10 of this Order (i) is the best notice practicable under the circumstances; (ii) constitutes notice that is reasonably calculated, under the circumstances, to apprise the Settlement Class Members of the pendency of the Consolidated Action, the effect of the proposed Settlement (including the releases contained therein), and of their right to object to the

proposed Settlement, exclude themselves from the Settlement Class, and appear at the Settlement Hearing; (iii) constitutes due, adequate, and sufficient notice to all Persons entitled to receive notice of the proposed Settlement; and (iv) satisfies the requirements of Rule 23 of the Federal Rules of Civil Procedure, the United States Constitution (including the Due Process Clause), the Private Securities Litigation Reform Act of 1995, 15 U.S.C. § 78u-4(a)(7), and all other applicable law and rules. The date and time of the Settlement Hearing shall be included in the Notice and Summary Notice before they are mailed and published, respectively.

8. **Selection of Claims Administrator**. Lead Counsel is hereby authorized to retain a claims administrator (the "Claims Administrator") in connection with the Settlement to supervise and administer the notice and claims procedures. The Parties and their counsel shall not be liable for any act or omission of the Claims Administrator.

9. **Manner of Notice**. Notice of the Settlement and the Settlement Hearing shall be given by Lead Counsel as follows:

within five (5) calendar days following entry of this Order, Hi-Crush shall provide or cause to be provided to the Claims Administrator (at no cost to the Settlement Fund, Lead Plaintiff, Lead Counsel, or the Claims Administrator) a copy of its unit transfer records report, in electronic form;

within fourteen (14) calendar days following receipt of the unit transfer records report from Hi-Crush, the Claims Administrator shall cause a copy of the Notice to be mailed by United States mail, postage prepaid, to all members of the Settlement Class who can be identified with reasonable effort, at their last known addresses appearing in the unitholder transfer records maintained by or on behalf of Hi-Crush (the "Notice Date");

within 14 calendar days of the Notice Date, Lead Counsel shall cause the

Summary Notice to be published in *Investor's Business Daily* and transmitted over the national circuit of *Business Wire*. Proof of publication of the Summary Notice shall be filed prior to the Settlement Hearing and served on all counsel of record; and

not later than seven (7) calendar days prior to the Settlement Hearing, Lead Counsel shall serve on Defendants' Counsel and file with the Court proof, by affidavit or declaration, of such mailing and publication.

10. The Court reserves the right to enter the Final Approval Order and Judgment approving the Settlement and dismissing the Consolidated Action with prejudice regardless of whether it has approved the Plan of Allocation or awarded attorneys' fees and expenses.

11. **Broker and Nominee Procedures**. Brokers and other nominees who purchased or acquired Units during the Class Period for the benefit of another Person shall be requested to forward the Notice and Claim Form (together, the "Notice Packet") to all such beneficial owners within five business days after receipt thereof, provide written confirmation to the Claims Administrator of such transmittal, or send a list of the names and addresses of such beneficial owners to the Claims Administrator within five (5) business days of receipt thereof, in which event the Claims Administrator shall promptly mail the Notice Packet to such beneficial owners. The Claims Administrator shall provide brokers or nominees with additional copies of the Notice Packet upon request. Upon full compliance with this Order, such brokers or nominees may seek reimbursement of their reasonable expenses actually incurred in complying with this Order by providing the Claims Administrator with proper documentation supporting the expenses for which reimbursement is sought. Such properly documented expenses incurred by nominees in compliance with the terms of this Order shall be paid from the Gross Settlement Fund in accordance with the provisions of the Stipulation.

12. **Participation in the Settlement**. Class Members who wish to participate in the Settlement and receive a distribution from the Net Settlement Fund must complete and submit the Claim Form in accordance with the instructions contained therein. Unless the Court orders otherwise, all Claim Forms must be postmarked no later than 120 calendar days after the Notice Date. Each Claim Form shall be deemed to be submitted when posted, if received with a postmark indicated on the envelope and if mailed by first-class mail and addressed in accordance with the instructions thereon. In all other cases, the Claim Form shall be deemed to have been submitted when it was actually received by the Claims Administrator. Notwithstanding the foregoing, Lead Counsel may, at its discretion, accept for processing late claims provided that such acceptance does not delay the distribution of the Net Settlement Fund to the Settlement Class.

13. The Claim Form submitted by each Settlement Class Member must satisfy the following conditions: (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 Lead Counsel and the Claims Administrator; (iii) if the person executing the Claim Form is acting in a representative capacity, a certification of his current authority to act on behalf of the Settlement Class Member must be included in the Claim Form; and (iv) the Claim Form 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.

14. By submitting a Claim Form, a Claimant shall be deemed to have submitted to the jurisdiction of the District Court with respect to the Claimant's Claim, and the Claim will be subject to investigation and discovery under the Federal Rules of Civil Procedure; *provided, however*, that such investigation and discovery shall be limited to that Claimant's status as a Settlement Class Member and the validity and amount of the Claimant's Claim. No discovery shall be allowed on the merits of the Consolidated Action or this Settlement in connection with the processing of Claim Forms.

15. Any Settlement Class Member that does not timely and validly submit a Claim Form or whose Claim is not otherwise approved by the Court: (a) shall be deemed to have waived his, her, or its right to share in the Net Settlement Fund; (b) shall forever be barred from participating in any distributions therefrom; (c) shall be bound by the provisions of the Stipulation and the Settlement and all proceedings, determinations, orders, and judgments in the Consolidated Action relating thereto, including, without limitation, the Final Approval Order and Judgment and the releases provided for therein, whether favorable or unfavorable to the Settlement Class; and (d) will be fully and forever barred from commencing, maintaining, or prosecuting any of the Released Claims against each and all of the Defendants and Released Parties as defined in the Stipulation, as more fully described in the Notice.

16. **Exclusion from the Class**. Any Settlement Class Member who wishes to be excluded from the Settlement Class shall mail the request in written form, by first-class mail and postmarked no later than 21 calendar days before the scheduled date of the Settlement Hearing discussed in Paragraph 5, to the address specified in the Notice. The request for exclusion must be signed by such person or his, her, or its authorized representative and shall include: (a) the name, address, and telephone number of the Person requesting exclusion; (b) the number of

Units the Person purchased or acquired during the Class Period along with the dates and prices of such purchase(s) or acquisition(s), and the number of Units the Person sold during the Class Period along with the dates and prices of such sales; and (c) a statement that the Person wishes to be excluded from the Settlement Class. A request for exclusion shall not be effective unless it provides all the required information and is received within the time stated above, or is otherwise accepted by the Court. Any Settlement Class member who fails to timely or properly opt-out, or whose request to opt out is not otherwise accepted by the Court, shall be deemed a Class Member, and shall be deemed by operation of law to have released all Released Claims against the Released Parties.

17. Any Person who or which timely and validly requests exclusion in compliance with the terms stated in this Order and is thereby excluded from the Settlement Class shall not be a Settlement Class Member, shall not be bound by the terms of the Settlement or any other orders or judgments in the Consolidated Action, and shall have no right to receive any payment from the Net Settlement Fund.

18. **Appearance and Objections**. Any Settlement Class Member who does not request exclusion may enter an appearance in the Consolidated Action, at his, her, or its own expense, individually or through counsel of his, her, or its choice. If any Settlement Class Member does not enter an appearance, he, she, or it will be represented by Lead Counsel.

19. Attendance at the Settlement Hearing is not mandatory. Notwithstanding, any Settlement Class Member who does not timely and properly exclude him, her, or itself from the Settlement Class may appear and show cause at the Settlement Hearing in person or by counsel and be heard in support of, or in opposition to, the fairness, reasonableness, and adequacy of the Settlement and the Final Approval Order and Judgment entered thereon, the Plan of Allocation,

and the Fee and Expense Application submitted by Lead Counsel. However, no Settlement Class Member shall be heard in opposition to the Settlement and the Final Approval Order and Judgment entered thereon, the Plan of Allocation, and the Fee and Expense Application. Further, no paper or brief submitted by any such Person in opposition to any of the above shall be received or considered by the Court unless on or before 21 calendar days before the scheduled date of the Settlement Hearing in Paragraph 5, that Person submits a written statement of objection and copies of any papers or briefs to be presented to the Court in support of the objection to:

Clerk's Office	**Defendants' Counsel**	**Lead Counsel**
Clerk of the Court United States District Court Southern District of New York Daniel Patrick Moynihan United States Courthouse 500 Pearl Street New York, NY 10007 Re: *In re Hi-Crush Partners L.P. Securities Litigation*, Case No. 12 Civ. 8557 (CM)	Michael C. Holmes, Esq. Vinson & Elkins L.L.P. 2001 Ross Avenue, Suite 3700 Dallas, TX 75201	Ira M. Press, Esq. Thomas W. Elrod, Esq. Beverly T. Mirza, Esq. Kirby McInerney LLP 825 Third Avenue, 16th Floor New York, NY 10022

20. Such an objection must also include the name, address, and telephone number of the Person objecting, as well as a proof of purchase or acquisition of Units during the Class Period. Any member of the Settlement Class who fails to object in the manner prescribed above shall be deemed to have waived, and shall forever be foreclosed from raising any objections to the fairness, reasonableness, or adequacy of the Settlement.

21. The Parties may take discovery of Persons who submit objections, including deposition and document discovery, on issues related to the objection. Failure by an objector to make himself, herself, or itself reasonably available for a deposition or to comply with discovery requests may result in the Court striking the objection and/or otherwise denying that Person the opportunity to make an objection or be further heard. The Court reserves the right to tax the

costs of any such discovery to the objector or the objector's separate counsel should the Court determine that the objection is frivolous or made for an improper purpose. The Court may, in its discretion, order any objector who subsequently files a notice of appeal to post an appropriate appellate bond.

22. **Stay**. All proceedings relating to the Settlement Class in the Consolidated Action, except as set forth in the Stipulation, are stayed until further order of this Court. Pending the final determination of the fairness, reasonableness, and adequacy of the proposed Settlement, Plaintiffs and members of the Settlement Class, either directly, representatively, or in any other capacity, shall not institute, commence, or prosecute any other proceedings, other than those incident to the Settlement itself, against Defendants and any of the Released Parties in any action or proceeding in any court or tribunal.

23. **Settlement Administration Fees and Expenses**. All reasonable costs incurred in identifying and notifying Settlement Class Members, as well as in administering the Gross Settlement Fund, shall be paid as set forth in the Stipulation without further order of the Court.

24. **Settlement Funds**. All funds held in the Escrow Account shall be deemed and considered to be in the custody of the Court, and shall remain subject to the jurisdiction of the Court, until such time as such funds shall be distributed pursuant to the Stipulation and/or further order(s) of the Court.

25. **Taxes**. Lead Counsel is authorized and directed to prepare any tax returns and any other tax reporting form for or in respect of the Gross Settlement Fund, to pay from the Gross Settlement Fund any Taxes owed with respect to the Gross Settlement Fund, and to otherwise perform all obligations with respect to Taxes and any reporting or filings in respect

thereof without further order of the Court in a manner consistent with the provisions of the Stipulation.

26. **Termination**. If the Settlement is terminated, is not approved by this Court, or the Effective Date does not occur, then this Order shall become null and void and shall be without prejudice to the rights of Plaintiffs, Settlement Class Members, and Defendants, all of whom shall be restored to their respective positions with respect to the Consolidated Action, as provided for in the Stipulation.

27. **Use of this Order**. Neither the Stipulation nor the Settlement set forth therein, nor any act performed or document executed pursuant to or in furtherance of the Stipulation or the Settlement: (i) is, or shall be deemed to be, or shall be used as an admission of any Defendant, any Released Party, or any other Person of the validity of any Released Claims, or any wrongdoing by or liability of any Defendant or Released Party; (ii) is, or shall be deemed to be, or shall be used as an admission of any fault or omission of any Defendant or any Released Party in any statement, release, or written documents issued, filed, or made; (iii) shall be offered or received in evidence against any Defendant or Released Party in any civil, criminal, or administrative action or proceeding in any court, administrative agency, or other tribunal other than such proceedings as may be necessary to consummate or enforce the Stipulation, the Settlement set forth therein, the releases provided pursuant thereto, and/or the Final Approval Order, except that the Stipulation may be filed in the Consolidated Action or in any subsequent action brought against any of the Defendants, their insurers, and/or any of the Released Parties in order to support a defense or counterclaim of any Defendant and/or any Released Party of *res judicata*, collateral estoppel, release, good faith settlement, or any theory of claim or issue preclusion or similar defense or counterclaim, including, without limitation, specific

performance of the Settlement embodied in the Stipulation as injunctive relief; (iv) shall be construed against the Defendants, Released Parties, Plaintiffs, and members of the Settlement Class as an admission or concession that the consideration to be given hereunder represents the amount which could be or would have been recovered after trial; and (v) shall be construed as or received in evidence as an admission, concession, or presumption against Plaintiffs and members of the Settlement Class or any of them that any of their claims are without merit or that damages recoverable in the Consolidated Action would not have exceeded the Gross Settlement Fund.

28. **Supporting Papers**. Plaintiffs' Counsel's opening briefing in support of approval of the Settlement, the proposed Plan of Allocation, and the Fee and Expense Application shall be served and filed no later than 35 days prior to the Settlement Hearing; if reply papers are necessary, they are to be filed and served no later than 7 calendar days prior to the Settlement Hearing.

29. The Court retains jurisdiction to consider all further applications arising out of the proposed Settlement.

Dated: 16 Sept, 2014

HONORABLE COLLEEN MCMAHON
UNITED STATES DISTRICT JUDGE

EXHIBIT 3

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

IN RE: HI-CRUSH PARTNERS L.P. SECURITIES LITIGATION	Civil Action No. 12-Civ-8557 (CM)

DECLARATION OF JOSE C. FRAGA REGARDING (A) MAILING OF THE NOTICE AND PROOF OF CLAIM FORM; (B) PUBLICATION OF THE SUMMARY NOTICE; AND (C) REPORT ON REQUESTS FOR EXCLUSION RECEIVED TO DATE

I, JOSE C. FRAGA, declare as follows:

1. I am a Senior Director of Operations for The Garden City Group, Inc. ("GCG"). Pursuant to the Court's September 16, 2014 Preliminary Approval Order (ECF No. 104) (the "Preliminary Approval Order"), GCG was authorized to act as the Claims Administrator in connection with the Settlement of the above-captioned action.[1] I have personal knowledge of the facts stated herein, and if called on to do so, I could and would testify competently thereto.

MAILING OF THE NOTICE AND CLAIM FORM

2. Pursuant to the Preliminary Approval Order, GCG mailed the Notice of Pendency of Class Action and Proposed Settlement, Settlement Fairness Hearing, and Motion for an Award of Attorney's Fees and Reimbursement of Litigation Expenses (the "Notice") and the Proof of Claim and Release (the "Claim Form" and, collectively with the Notice, the "Notice Packet") to potential Settlement Class Members. A copy of the Notice Packet is attached hereto as Exhibit A.

3. On September 19, 2014, GCG received an Excel file from Lead Counsel that had been received from Defendants' Counsel, Vinson & Elkins L.L.P., which contained 2,360 unique

[1] All terms with initial capitalization not otherwise defined herein have the meanings ascribed to them in the Preliminary Approval Order.

names and addresses of potential Settlement Class Members. On October 3, 2014, Notice Packets were disseminated by first-class mail to those 2,360 potential Settlement Class Members.

4. As in most class actions of this nature, the large majority of potential Settlement Class Members are expected to be beneficial purchasers whose securities are held in "street name" – *i.e.*, the securities are purchased by brokerage firms, banks, institutions and other third-party nominees in the name of the nominee, on behalf of the beneficial purchasers. GCG maintains a proprietary database with names and addresses of the largest and most common U.S. banks, brokerage firms, and nominees, including the national and regional offices of certain nominees (the "Nominee Database"). After discussion with Lead Counsel, and at Lead Counsel's direction, GCG created a mailing list of the 100 Nominee Database records representing the nominees and brokers who supply nearly all beneficial purchasers in securities class action settlements. On October 3, 2014, GCG caused Notice Packets to be disseminated by first-class mail to the mailing addresses of these institutions.

5. In total, 2,460 Notice Packets were disseminated to potential Settlement Class Members and nominees by first-class mail on October 3, 2014.

6. The Notice directed those who purchased or otherwise acquired Hi-Crush Units during the Settlement Class Period for the beneficial interest of a Settlement Class Member to either (1) send copies of the Notice Packet to the beneficial owners of the Units within 5 business days from the receipt of the Notice, and provide written confirmation to the Claims Administrator of such; or (2) provide the names and addresses of such persons or entities to *Hi-Crush Partners L.P. Securities Litigation*, c/o GCG, P.O. Box 9349, Dublin, OH 43017-4249.

7. GCG has received requests from nominees for additional unaddressed copies of the Notice Packet and for additional Notice Packets to be mailed directly to potential Settlement Class

Members identified by the nominees. Through November 13, 2014, GCG mailed an additional 4,534 Notice Packets to potential Settlement Class Members whose names and addresses were received from individuals or nominees requesting that a Notice Packet be mailed to such persons, and mailed another 547 Notice Packets to nominees who requested Notice Packets to forward to their customers. Each of those requests was responded to in a timely manner and GCG will continue to timely respond to any additional requests received.

8. Seperately, GCG received requests for 5 Notice Packets from calls made to the telephone hotline.

9. As of November 13, 2014, an aggregate of 7,546 Notice Packets had been disseminated to potential Settlement Class Members and nominees by first-class mail. In addition, GCG has remailed 34 Notice Packets to persons whose original mailing was returned by the U.S. Postal Service and for whom updated addresses were provided to GCG by the Postal Service.

PUBLICATION OF THE SUMMARY NOTICE

10. Pursuant to the Preliminary Approval Order, GCG Communications, the media division of GCG, caused the Summary Notice to be published once in *Investor's Business Daily* and to be transmitted over the *PR Newswire* on October 14, 2014. Attached hereto as Exhibit B is the affidavit of Stephan Johnson, for the publisher of *Investor's Business Daily*, attesting to the publication of the Summary Notice in that paper on October 14, 2014. Attached hereto as Exhibit C is a confirmation report for the *PR Newswire*, attesting to the issuance of the Summary Notice over that wire service on October 14, 2014.

TELEPHONE HELPLINE

11. Beginning on October 3, 2014, GCG has provided a toll-free help-line (1-800-231-1815) to accommodate potential Settlement Class Members who have questions about

the Settlement. The telephone help-line routes callers to a customer service representative during business hours, and allows them to leave messages outside of business hours which are handled the following business day. To date, GCG has received 53 calls related to the Settlement, handling questions related to eligibility for the Settlement, its benefits, and the Notice and Claim Form.

WEBSITE

12. GCG established a dedicated website (www.hicrushsecuritiessettlement.com) to facilitate the administration of the Settlement and to assist potential Settlement Class Members. The website address was set forth in the Summary Notice, the Notice, and on the Claim Form. The website lists the exclusion, objection, and claim filing deadlines, as well as the date and time of the Court's Settlement Hearing. Users of the website can download copies of the Notice, the Proof of Claim Form, the Stipulation of Settlement, and the Preliminary Approval Order, among other relevant documents. In addition, the website contains a link to a document that contains detailed instructions for institutions submitting their claims electronically. The website became operational on October 3, 2014, and is accessible 24 hours a day, 7 days a week. GCG will continue operating, maintaining and, as appropriate, updating the website until the conclusion of the administration.

REPORT ON EXCLUSION REQUESTS RECEIVED TO DATE

13. The Notice informed potential Settlement Class Members that requests for exclusion are to be mailed or otherwise delivered, addressed to Hi-Crush Partners L.P. Securities Litigation, Claims Administrator – EXCLUSION REQUEST, c/o GCG, P.O. Box 9349, Dublin, Ohio 43017-4249, postmarked by November 28, 2014. The Notice also sets forth the information that must be included in each request for exclusion. GCG has been monitoring all mail delivered to that Post Office Box. As of November 13, 2014, GCG has received two (2) request for

exclusion. Attached as Exhibit D is a true and correct copy of the two exclusion requests received to date. GCG will submit a supplemental affidavit after the November 28, 2014 exclusion request deadline that will address any additional exclusion requests received.

I declare under penalty of perjury under the laws of the United States that the foregoing is true and correct. Executed in Lake Success, New York on November 13, 2014.

Jose C. Fraga

EXHIBIT A

UNITED STATES DISTRICT COURT SOUTHERN DISTRICT OF NEW YORK

IN RE: HI-CRUSH PARTNERS L.P. SECURITIES LITIGATION	Civil Action No. 12-Civ-8557 (CM)

NOTICE OF PENDENCY OF CLASS ACTION AND PROPOSED SETTLEMENT, SETTLEMENT FAIRNESS HEARING, AND MOTION FOR AN AWARD OF ATTORNEYS' FEES AND REIMBURSEMENT OF LITIGATION EXPENSES

A Federal Court Authorized This Notice. This Is Not A Solicitation From A Lawyer.

TO: ALL RECORD AND BENEFICIAL OWNERS OF ANY UNIT(S) OF HI-CRUSH PARTNERS LP ("HI-CRUSH") AT ANY TIME DURING THE PERIOD BEGINNING ON AND INCLUDING SEPTEMBER 25, 2012 THROUGH AND INCLUDING NOVEMBER 12, 2012, INCLUDING ANY AND ALL OF THEIR RESPECTIVE SUCCESSORS-IN-INTEREST, PREDECESSORS, LEGAL REPRESENTATIVES, TRUSTEES, EXECUTORS, ADMINISTRATORS, HEIRS, ASSIGNEES, OR TRANSFEREES, IMMEDIATE AND REMOTE, AND ANY PERSON OR ENTITY ACTING FOR OR ON BEHALF OF, OR CLAIMING UNDER, ANY OF THEM, AND EACH OF THEM, BUT EXCLUDING DEFENDANTS (AS DEFINED BELOW), THE OFFICERS AND DIRECTORS OF Hi-CRUSH, AND, AT ALL RELEVANT TIMES, THE MEMBERS OF THEIR IMMEDIATE FAMILIES, THEIR LEGAL REPRESENTATIVES, HEIRS, SUCCESSORS, AND ASSIGNS.[1]

- PLEASE READ THIS NOTICE CAREFULLY.
- IF YOU WISH TO COMMENT IN FAVOR OF THE SETTLEMENT OR OBJECT TO THE SETTLEMENT, YOU MUST FOLLOW THE DIRECTIONS IN THIS NOTICE.
- YOU MAY BE ELIGIBLE TO RECEIVE MONEY FROM THE SETTLEMENT OF THIS CASE.
- YOUR LEGAL RIGHTS MAY BE AFFECTED BY THIS LAWSUIT.
- TO RECEIVE MONEY FROM THIS SETTLEMENT, YOU MUST SUBMIT A VALID PROOF OF CLAIM AND RELEASE FORM ("CLAIM FORM") POSTMARKED ON OR BEFORE JANUARY 31, 2015.
- IF YOU DO NOT WISH TO PARTICIPATE IN THE SETTLEMENT, YOU MAY REQUEST TO BE EXCLUDED FROM THE SETTLEMENT BY SENDING A WRITTEN REQUEST FOR EXCLUSION THAT MUST BE POSTMARKED ON OR BEFORE NOVEMBER 28, 2014.
- IF YOU RECEIVED THIS NOTICE ON BEHALF OF A SETTLEMENT CLASS MEMBER WHO IS DECEASED, YOU SHOULD PROVIDE THE NOTICE TO THE AUTHORIZED LEGAL REPRESENTATIVE OF THAT SETTLEMENT CLASS MEMBER.

YOU ARE HEREBY NOTIFIED AS FOLLOWS:[2]

A proposed settlement (the "Settlement") has been reached by the Parties in the constituent actions that make up the consolidated class action pending in the United States District Court for the Southern District of New York (the "District Court"), which was brought on behalf of all Persons described above (the "Settlement Class"). The District Court has preliminarily approved the Settlement, whose terms are set forth in the Stipulation of Settlement (the "Stipulation"), which is available at www.HiCrushSecuritiesSettlement.com, and has preliminarily certified the Settlement Class for purposes of Settlement only. You have received this Notice because the Parties' records indicate that you are a member of the Settlement Class. This Notice is designed to inform you of your rights, how you can submit a Claim Form, and how you can comment in favor of the Settlement or object to the Settlement. If the Settlement is finally approved by the District Court, the Settlement will be binding upon you, unless you exclude yourself, even if you do not submit a Claim Form to obtain money from the Net Settlement Fund and even if you object to the Settlement.

There will be a hearing on the Settlement (the "Settlement Hearing") before the Honorable Colleen McMahon, United States District Court Judge, at 9:30 a.m. on December 19, 2014, in Courtroom 17C of the Daniel Patrick Moynihan United States Courthouse, 500 Pearl Street, New York, New York.

THE FOLLOWING RECITATION DOES NOT CONSTITUTE FINDINGS OF THE COURT AND SHOULD NOT BE UNDERSTOOD AS AN EXPRESSION OF ANY OPINION OF THE COURT AS TO THE MERITS OF ANY CLAIMS OR DEFENSES BY ANY OF THE PARTIES. IT IS BASED ON STATEMENTS OF THE PARTIES AND IS SENT FOR THE SOLE PURPOSE OF INFORMING YOU OF THE EXISTENCE OF THE LAWSUIT AND OF THE FINAL SETTLEMENT HEARING ON A PROPOSED SETTLEMENT SO THAT YOU MAY MAKE APPROPRIATE DECISIONS AS TO STEPS YOU MAY, OR MAY NOT, WISH TO TAKE IN RELATION TO THE LAWSUIT.

[1] All capitalized terms that are not defined in this Notice have the meaning ascribed to them in the Stipulation of Settlement (the "Stipulation") dated September 12, 2014, which is available on the website established for the Settlement at www.HiCrushSecuritiesSettlement.com.

[2] A copy of this Notice may be found at www.HiCrushSecuritiesSettlement.com.

I. BACKGROUND OF THE LAWSUIT

Hi-Crush Partners, L.P. ("Hi-Crush" or the "Partnership"), conducted its initial public offering ("IPO") in August 2012. In connection with the IPO, Hi-Crush filed a final prospectus with the United States Securities and Exchange Commission ("SEC") that became effective on August 16, 2012. Hi-Crush completed its IPO on August 21, 2012.

On November 13, 2012, Hi-Crush issued a press release, stating, among other things that: (1) on September 19, 2012, one of its customers provided notice that it was terminating its long-term supply agreement with Hi-Crush; (2) on November 12, 2012, Hi-Crush exercised its contractual right to terminate the customer's supply agreement and sued that customer for breach of contract in Texas state court, seeking the contractually provided for liquidated damages.

Between November 21, 2012 and December 18, 2012, plaintiffs Shirley Horn, Douglas Goodhart, Leona Sesholtz, Alexander W. Thiele, and Peter A. Luebke filed four separate putative class action lawsuits against Hi-Crush, its general partner, certain of its officers and directors, and the underwriters of Hi-Crush's IPO: *Horn v. Hi-Crush Partners, L.P., et al.*, 12-CV-8557 (the "Horn Action"); *Goodhart v. Hi-Crush Partners, L.P., et al.*, 12-CV-8574 (S.D.N.Y.) (the "Goodhart Action"); *Sesholtz, at al. v. Hi-Crush Partners, L.P., et al.*, 12-CV-8610 (S.D.N.Y.) (the "Sesholtz Action"); and *Luebke v. Hi-Crush Partners, L.P., et al.*, 12-CV-9212 (S.D.N.Y.) (the "Luebke Action"). These lawsuits alleged violations of Sections 11, 12 and 15 of the Securities Act of 1933 (the "Securities Act") in connection with Hi-Crush's IPO and announcement on November 13, 2012.

Pursuant to the PSLRA (15 USC § 78u-4(a)(3)(B)), several members of the putative class moved for the appointment as lead plaintiff on or before January 22, 2013.

Plaintiffs in the Goodhart Action and Sesholtz Action voluntarily dismissed their lawsuits on December 10, 2012 and February 7, 2013, respectively.

By an order dated February 11, 2013, (the "Order") the District Court consolidated the Horn Action and Luebke Action under the caption *In re Hi-Crush Partners, L.P. Securities Litigation*, 12 Civ. 8557 (the "Consolidated Action"). In the Order, the District Court appointed HITE Hedge LP and HITE MLP LP (collectively, "Plaintiffs" or "HITE") as the Lead Plaintiffs and Kirby McInerney LLP as lead counsel for the putative class in the Consolidated Action.

On February 15, 2013, Plaintiffs filed a consolidated amended complaint (the "Consolidated Complaint"). The Consolidated Complaint alleged violations of Sections 11, 12 and 15 of the Securities Act, and violations of Sections 10(b) and 20(a) of the Securities Exchange Act of 1934 (the "Exchange Act") and Rule 10b-5 promulgated under Section 10(b).

On March 22, 2013, all of the named defendants moved to dismiss the Consolidated Action. On April 12, 2013, Plaintiffs filed their Opposition to the defendants' motions to dismiss the Consolidated Action. Defendants filed replies in support of their motions to dismiss on April 19, 2013.

On December 2, 2013, the District Court issued a Decision and Order Granting in Part and Denying in Part Defendants' Motions to Dismiss ("Decision and Order"). The Decision and Order dismissed the claims asserted under Sections 11, 12 and 15 of the Securities Act, but denied dismissal as to the claims asserted under Sections 10(b) and 20(a) of the Exchange Act and SEC Rule 10b-5. As a result of the Decision and Order, certain defendants, which included the named underwriter defendants and certain of the individual defendants, were dismissed from the Consolidated Action.

On January 13, 2014, the remaining defendants, Hi-Crush, Hi-Crush GP LLC ("Hi-Crush GP"), Robert E. Rasmus, James M. Whipkey, Laura C. Fulton, and Jefferies V. Alston, III (collectively, "Defendants"), filed their answer to the Amended Complaint denying the allegations therein.

From February to May 2014, the parties engaged in discovery that included the production and exchange of documents, the taking and defense of deposition testimony, and exchange of written discovery.

On April 15, 2014, Plaintiffs filed a Motion for Class Certification and Appointment of Class Representative and Class Counsel ("Class Certification Motion"). On May 15, 2014, Defendants filed their Opposition to Plaintiffs' Class Certification Motion and Plaintiffs filed their reply on June 17, 2014.

On June 25, 2014, the Settling Parties participated in mediated settlement negotiations before Robert A. Meyer, Esq. of Loeb & Loeb, LLP (the "Mediator"). With the Mediator's assistance, the Settling Parties reached an agreement in principle to settle the Consolidated Action, for $3,800,000, to be paid for the benefit of the Settlement Class.

Defendants have denied the claims asserted against them in the Consolidated Action and deny having engaged in any wrongdoing or violation of law of any kind whatsoever. Defendants have agreed to the Settlement solely to eliminate the burden and expense of continued litigation. Accordingly, the Settlement may not be construed as an admission of any wrongdoing by any of the Defendants. The District Court has not ruled on the merits of whether the Defendants violated the securities laws, or any other laws or rules.

Plaintiffs and Defendants, and their counsel, have concluded that the Settlement is advantageous, considering the risks and uncertainties to each side of continued litigation. The Parties and their counsel have determined that the Settlement is fair, reasonable, and adequate and is in the best interests of the Settlement Class Members.

The Settlement creates a Gross Settlement Fund in the amount of $3,800,000 in cash, plus interest that accrues on the fund prior to distribution. Your recovery from the Gross Settlement Fund will depend on a number of variables, including the number of common units in Hi-Crush ("Units") that you purchased or acquired during the period from September 25, 2012 to November 12, 2012, inclusive, and the timing of your purchases, acquisitions, and sales of any Units. Lead Plaintiffs estimate that if all eligible Claimants submit a valid Claim Form, the average distribution per damaged unit[3] will be approximately $1.38 before deduction of Court-approved fees and expenses. Settlement Class Members should note, however, that this is only an estimate based on the overall number of potentially affected Units. Some Settlement Class Members may recover more or less than the amount estimated herein.

Plaintiffs and Defendants do not agree on the average amount of damages per unit that would be recoverable if the Plaintiffs were to have prevailed in the Consolidated Action. The issues on which the Parties disagree include: (1) the amount by which Units were allegedly artificially inflated (if at all) during the Class Period; (2) the effect of various market forces on the price of the Units at various times during the Class Period; (3) the extent to which external factors, such as general market and industry conditions, influenced the price of the Units at various times during the Class Period; (4) the extent to which the various public statements that Plaintiffs alleged were materially false or misleading influenced (if at all) the price of the Units at various times during the Class Period; (5) the extent to which the various allegedly adverse material facts that Plaintiffs alleged were omitted influenced (if at all) the price of the Units at various times during the Class Period; and (6) whether the statements made or facts allegedly omitted were material, false, misleading, or otherwise actionable under the federal securities laws.

Plaintiffs' counsel, who have been prosecuting this Consolidated Action on a wholly-contingent basis since its inception, have not received any payment of attorneys' fees for their representation of the Settlement Class and they have advanced the funds to pay expenses necessarily incurred to prosecute the Consolidated Action. Lead Counsel will apply to the Court for an award of attorneys' fees for all Plaintiffs' Counsel in the amount of 33 1/3% of the Gross Settlement Fund. In addition, Lead Counsel will apply for reimbursement of litigation expenses (exclusive of administration costs) paid or incurred in connection with the prosecution and resolution of the claims against the Defendants, in an amount not to exceed $115,000 (which may include an application for reimbursement of the reasonable costs and expenses incurred by Lead Plaintiffs directly related to their representation of the Settlement Class). Any fees and expenses awarded by the Court will be paid from the Gross Settlement Fund. Settlement Class Members are not personally liable for any such fees or expenses. If the Settlement is approved, and Lead Counsel's fee and expense application is granted in its entirety, the average cost per unit of these fees and expenses will be approximately $0.50 per Unit.

Lead Plaintiffs and the Settlement Class are being represented by Kirby McInerney LLP. Any questions regarding the Consolidated Action or the Settlement should be directed to Ira M. Press, Esq., Thomas W. Elrod Esq., or Beverly T. Mirza, Esq. at Kirby McInerney LLP, 825 Third Avenue, 16th Floor, New York, NY 10022, (212) 371-6600.

Your Legal Rights and Options in the Settlement:	
Submit A Claim Form By January 31, 2015	This is the only way to be eligible to get a payment in connection with the Settlement.
Exclude Yourself From The Settlement Class By Submitting A Written Request Postmarked No Later Than November 28, 2014	If you exclude yourself from the Settlement Class, you will not be eligible to get any payment from the Net Settlement Fund. This is the only option that allows you to be part of any other lawsuit against any of the Defendants or the other Released Parties concerning the Released Claims (defined below).
Object To The Settlement By Submitting A Written Objection No Later Than November 28, 2014	If you do not like the proposed Settlement, the proposed Plan of Allocation, or the Fee and Expense Application, you may write to the District Court and explain why you do not like them. You cannot object to the Settlement, the Plan of Allocation, or the Fee and Expense Application unless you are a Settlement Class Member and do not exclude yourself.
Go To The Settlement Hearing On December 19, 2014 At 9:30 A.M., And File A Notice Of Intention To Appear No Later Than November 28, 2014	Filing a written objection and notice of intention to appear allows you to speak in court about the fairness of the Settlement, the Plan of Allocation, and/or the Fee and Expense Application. If you submit a written objection, you may (but do not have to) attend the hearing and speak to the District Court about your objection.
Do Nothing	If you are a member of the Settlement Class and you do not submit a Claim Form by January 31, 2015 you will not be eligible to receive any payment from the Net Settlement Fund. You will, however, remain a member of the Settlement Class, which means that you give up your right to sue about the claims that are resolved by the Settlement and you will be bound by any Judgments or Orders entered by the District Court pertaining to the class actions in the Consolidated Action.

II. TERMS OF THE SETTLEMENT

The Stipulation setting forth the terms of the Settlement provides for the following:

A. Why Did I Get This Notice?

This Notice is being sent to you pursuant to an order of the District Court because you, someone in your family, or an investment account for which you serve as a custodian may have purchased or acquired Units during the Class Period. The District Court has

[3] An allegedly damaged Unit might have been traded more than once during the Class Period, and the indicated average recovery would be the total for all purchasers of that Unit.

directed us to send you this Notice because, as a potential Settlement Class Member, you have a right to know about your options before the Court rules on the proposed Settlement. Additionally, you have the right to understand how a class action lawsuit may generally affect your legal rights. If the District Court approves the Settlement and the Plan of Allocation (or some other plan of allocation), the Claims Administrator selected by Defendants and approved by the Court will make payments pursuant to the Settlement and the court-approved Plan of Allocation after any objections and appeals are resolved. This Notice is also being sent to inform you of a hearing to be held by the District Court to consider the fairness, reasonableness, and adequacy of the Settlement, the proposed Plan of Allocation, and the Fee and Expense Application.

In a class action lawsuit, the court selects one or more people, known as class representatives, to sue on behalf of all people with similar claims, commonly known as the class or the class members. A class action is a type of lawsuit in which the claims of a number of individuals are resolved together, thus providing the class members with both consistency and efficiency. Once the class is certified, the court must resolve all issues on behalf of the class members, except for any Persons who choose to exclude themselves from the class. In the Consolidated Action, the District Court appointed Plaintiffs to serve as "Lead Plaintiffs" under a federal law governing lawsuits such as this one, and approved Plaintiffs' selection of the law firm of Kirby McInerney LLP to serve as Lead Counsel ("Lead Counsel"). The District Court has preliminarily certified the Consolidated Action to proceed as a class action for settlement purposes only and preliminarily certified the Plaintiffs as representatives for the Settlement Class.

This Notice does not express any opinion by the District Court concerning the merits of any claim in the Consolidated Action. The District Court has to decide whether to approve the Settlement. If the Court approves the Settlement and the Plan of Allocation, payments to Authorized Claimants will be made after any appeals are resolved, and after the completion of all claims processing. Please be patient.

B. What Does The Settlement Provide?

Defendants shall cause to be delivered to Lead Counsel a check in the amount of $3,800,000, which will earn interest for the benefit of the Settlement Class (the "Gross Settlement Fund").

C. Am I Included In The Settlement?

You are included in the Settlement if you purchased or otherwise acquired Units during the Class Period and were damaged thereby. Excluded from the Settlement Class are Defendants, the current or former officers and directors of the Partnership, members of the Individual Defendants' immediate families, and any Person, firm, trust, corporation, officer, director, or other individual or entity in which any Defendant has, had, or will have a controlling interest or which is related to or affiliated with, through ownership of a controlling interest or common ownership of a controlling interest, any Defendant; also excluded from the Class are the legal representatives, heirs, administrators, successors-in-interest, or assigns of any such excluded party. Also excluded from the Settlement Class are any Persons who exclude themselves by submitting a request for exclusion in accordance with the requirements set forth in this Notice (*see* page 7 below).

PLEASE NOTE: RECEIPT OF THIS NOTICE DOES NOT MEAN THAT YOU ARE A SETTLEMENT CLASS MEMBER OR THAT YOU WILL BE ENTITLED TO RECEIVE PROCEEDS FROM THE SETTLEMENT. IF YOU ARE A SETTLEMENT CLASS MEMBER AND YOU WISH TO BE ELIGIBLE TO PARTICIPATE IN THE DISTRIBUTION OF PROCEEDS FROM THE SETTLEMENT, YOU ARE REQUIRED TO SUBMIT THE CLAIM FORM THAT IS BEING DISTRIBUTED WITH THIS NOTICE AND THE REQUIRED SUPPORTING DOCUMENTATION AS SET FORTH THEREIN POSTMARKED NO LATER THAN JANUARY 31, 2015.

D. What Might Happen If There Were No Settlement?

If there were no Settlement and Plaintiffs failed to establish any essential legal or factual element of their claims against the Defendants, neither they nor the Settlement Class would recover anything from the Defendants. Also, if the Defendants were successful in proving any of their defenses, the Settlement Class could recover substantially less than the amounts provided in the Settlement, or nothing at all. Additionally, there were limits on the insurance coverage available for the Defendants. Moreover, the insurance coverage available to the Defendants is a wasting asset. The ongoing prosecution of the Consolidated Action against the Individual Defendants, along with other costs being paid from these policies in connection with other ongoing litigation, is depleting the amount of available insurance coverage. Thus, even if Plaintiffs would have prevailed at trial and on the appeal that would have sure followed, by the time Plaintiffs could seek to enforce the judgment, the insurance coverage could have been materially depleted, if not exhausted entirely. Thus, a victory at trial or on appeal against the Defendants could well have resulted in a smaller recovery or no recovery at all.

E. What Is The legal Effect Of The Settlement On My Rights?

If you are a member of the Settlement Class, the Settlement will affect you. If the District Court grants final approval of the Settlement, the Consolidated Action will be dismissed with prejudice and all Settlement Class Members will fully release and discharge the Defendants from all claims for relief arising out of or based on Plaintiffs' allegations. When a Person "releases" claims, that means that Person cannot sue the defendants for any of the claims covered by the release. If you are a Settlement Class Member and you submit a valid and timely Claim Form, you will receive a payment based upon the distribution formula described below.

F. What Will I Receive From The Settlement?

At this time, it is not possible to make any determination as to how much a Settlement Class Member may receive from the Settlement. Pursuant to the Settlement, Defendants shall cause to be delivered to Lead Counsel a check in the amount of $3,800,000. The

settlement amount will be deposited into an interest-bearing escrow account. If the Settlement is approved by the District Court, the Net Settlement Fund (i.e., the Gross Settlement Fund less (a) all federal, state, and local taxes on any income earned by the Gross Settlement Fund and the reasonable costs incurred in connection with determining the amount of and paying taxes owed by the Gross Settlement Fund (including reasonable expenses of tax attorneys and accountants); (b) the costs and expenses incurred in connection with providing Notice to Settlement Class Members and administering the Settlement on behalf of Settlement Class Members; and (c) any attorneys' fees and expenses awarded by the District Court) will be distributed to Settlement Class Members as set forth in the proposed Plan of Allocation, or such other plan as the District Court may approve.

After approval of the Settlement by the District Court and upon satisfaction of the other conditions to the Settlement, the Net Settlement Fund will be distributed to Authorized Claimants in accordance with the Plan of Allocation approved by the District Court. Under the proposed Plan of Allocation, your share of the Net Settlement Fund will depend on: (1) the dates you acquired or sold your Hi-Crush Units; (2) the number of Units acquired or sold and the price paid or received; (3) the expense of administering the claims process; (4) any attorneys' fees and expenses awarded by the Court; (5) interest income received and taxes paid by the Settlement Fund; (6) the number of eligible Hi-Crush Units acquired by other Settlement Class Members who submit timely and valid Proof of Claim Forms; and (7) the Recognized Losses of all other Authorized Claimants computed in accordance with the Plan of Allocation set out on pages 5-6 below.

You can calculate your Recognized Loss in accordance with the formula set forth below in the proposed Plan of Allocation. In the event the aggregate Recognized Losses of all timely and validly submitted Proof of Claim Forms exceed the Net Settlement Fund, your share of the Net Settlement Fund will be proportionally less than your calculated Recognized Loss. It is unlikely that you will get a payment for all of your Recognized Loss. After all Settlement Class Members have sent in their Proof of Claim Forms, the payment you get will be that proportion of the Net Settlement Fund equal to your Recognized Loss divided by the total Recognized Losses of all Settlement Class Members who submit timely and valid Proof of Claim Forms (the "*Pro Rata Share*"). *See* the Plan of Allocation on pages 5-6 for more information on your Recognized Loss.

The Net Settlement Fund will not be distributed until the District Court has approved a plan of allocation, and the time for any petition for rehearing, appeal, or review, whether by certiorari or otherwise, has expired.

Neither the Defendants nor any other Person that paid any portion of the Gross Settlement Amount is entitled to get back any portion of the Net Settlement Fund once the District Court's Final Approval Order and Judgment approving the Settlement becomes final. The Defendants will not have any liability, obligation, or responsibility for the administration of the Settlement or disbursement of the Net Settlement Fund or the Plan of Allocation.

Approval of the Settlement is independent from approval of the Plan of Allocation. Any determination with respect to the Plan of Allocation will not affect the Settlement, if approved.

Each Person wishing to participate in the distribution must timely submit a valid Claim Form establishing membership in the Settlement Class, and including all required documentation, postmarked on or before January 31, 2015, to the address set forth in the Claim Form that accompanies this Notice.

Unless the District Court otherwise orders, any Settlement Class Member who fails to submit a Claim Form postmarked on or before January 31, 2015, shall be fully and forever barred from receiving payments pursuant to the Settlement, but will in all other respects remain a Settlement Class Member and be subject to the provisions of the Stipulation and Settlement that is approved, including the terms of any judgment entered and releases given.

The District Court has reserved jurisdiction to allow, disallow, or adjust the Claim of any Settlement Class Member on equitable grounds.

Each Claimant shall be deemed to have submitted to the jurisdiction of the District Court with respect to his, her, or its Claim Form. Upon request of the Claims Administrator, each Person that submits a Claim Form shall subject his, her, or its Claim to investigation as to his, her, or its status as a Claimant and the allowable amount of his, her, or its Claim.

Persons that are excluded from the Settlement Class by definition or that exclude themselves from the Settlement Class will not be eligible to receive a distribution from the Net Settlement Fund and should not submit a Claim Form.

Proposed Plan of Allocation

The Net Settlement Fund will be distributed to Settlement Class Members who submit valid, timely Claim Forms. If you have a net loss on all transactions in Units during the Class Period, you will be paid the percentage of the Net Settlement Fund that your Recognized Loss bears to the total of the Recognized Losses of all Authorized Claimants. Payment in this manner shall be deemed conclusive against all Authorized Claimants. It is not intended to be an estimate of the amount that will be paid to Authorized Claimants pursuant to the Settlement.

Each Authorized Claimant's Recognized Loss will be calculated as follows:

For Hi-Crush common units purchased or otherwise acquired between September 25, 2012 and November 12, 2012, inclusive:

a. Units that were sold prior to November 13, 2012 have a Recognized Loss of zero.

b. The Recognized Loss for units that were still held at the close of trading on February 11, 2013 is the difference between (a) the lesser of the purchase price and $20.35 per unit, and (b) the greater of the sale price and $16.09 per unit.[4]

c. The Recognized Loss for units the were sold during the period from November 13, 2012 through February 11, 2013 is the difference between (a) the lesser of the purchase price and $20.35 per unit, and (b) the greater of the sale price or the average closing price of the units during the period from November 13, 2012 through the date of sale.

d. Purchases and sales are matched on a last in, first out ("LIFO") basis, except that purchases that were made in order to cover short sales should be matched to the short sales they covered.

The date of purchase/acquisition or sale is the "contract" or "trade" date as distinguished from the "settlement" or "payment" date. However, for Hi-Crush Units that were put to investors pursuant to put options sold by those investors, the purchase/acquisition of the Hi-Crush Units shall be deemed to have occurred on the date that the put option was sold, rather than the date on which the Units were subsequently put to the investor pursuant to that option. The proceeds of any put option sales shall be offset against any losses from Units that were purchased/acquired as a result of the exercise of the put option. Additionally, Hi-Crush common units acquired during the Class Period through the exercise of a call option shall be treated as a purchase on the date of exercise for the exercise price plus the cost of the call option, and any Claim arising from such transaction shall be computed as provided for other purchases of Hi-Crush common units as set forth herein.

The receipt or grant by gift, devise or inheritance of Hi-Crush Units during the Class Period shall not be deemed to be a purchase or acquisition of Hi-Crush Units for the calculation of an Authorized Claimant's Recognized Loss if the Person from which the Hi-Crush Units were received did not themselves acquire the Units during the Class Period, nor shall it be deemed an assignment of any claim relating to the purchase or acquisition of such Units unless specifically provided in the instrument or gift or assignment.

An Authorized Claimant will be eligible to receive a distribution from the Net Settlement Fund only if the Authorized Claimant had a net loss, after all profits from transactions in Units during the Class Period are subtracted from all losses. However, the proceeds from sales of units which, pursuant to LIFO, have been matched against units held at the beginning of the Class Period will not be used in the calculation of such net loss.

If an Authorized Claimant's distribution amount calculates to less than $10.00, no distribution will be made to that Authorized Claimant.

Distributions will be made to Authorized Claimants after all Claims have been processed and after the District Court has finally approved the Settlement. If there is any balance remaining in the Net Settlement Fund six months from the date of distribution of the Net Settlement Fund by reason of un-cashed distributions or otherwise, then, after the Claims Administrator has made reasonable efforts to have Authorized Claimants cash their distributions, and it is economically feasible, any balance remaining in the Net Settlement Fund shall be redistributed to Authorized Claimants who have cashed their initial distributions and who would receive at least $10.00 from such redistribution after the payment of any taxes and unpaid costs or fees incurred in administering the Net Settlement Fund for such redistribution. Lead Counsel shall, if feasible, continue to reallocate any further balance remaining in the Net Settlement Fund after the redistribution is completed among Settlement Class members in the same manner and time frame as provided for above. In the event that Lead Counsel determines that further redistribution of any balance remaining (following the initial distribution and redistribution) is no longer feasible, thereafter Lead Counsel shall donate the remaining funds, if any, to a non-sectarian, not-for-profit 501(c)(3) organization serving the public interest, to be designated by Lead Counsel and approved by the District Court.

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

The Plan of Allocation set forth herein is the plan that is being proposed by Lead Plaintiffs and Lead Counsel to the District Court for approval. The District Court may approve this Plan of Allocation as proposed or it may modify the Plan of Allocation without further notice to the Settlement Class. Any orders regarding a modification of the Plan of Allocation will be posted on the settlement website, www.HiCrushSecuritiesSettlement.com.

[4] Pursuant to Section 21(D)(e)(1) of the Private Securities Litigation Reform Act of 1995, "in any private action arising under this title in which the plaintiff seeks to establish damages by reference to the market price of a security, the award of damages to the plaintiff shall not exceed the difference between the purchase or sale price paid or received, as appropriate, by the plaintiff for the subject security and the mean trading price of that security during the 90-day period beginning on the date on which the information correcting the misstatement or omission that is the basis for the action is disseminated." $16.09 was the mean closing price of Hi-Crush common units during the 90-day period beginning on November 13, 2012 and ending on February 11, 2013.

G. Can I Decide To Opt Out Of This Settlement?

Yes. If you do not wish to be included in the Settlement Class and you do not wish to participate in the Settlement, you may request to be excluded. To do so, you must submit a written request for exclusion that must be signed by you or your authorized representative and postmarked on or before November 28, 2014. You must set forth: (a) the name, address, and telephone number of the Person requesting exclusion; (b) the number of Units the Person purchased or acquired during the Class Period along with the dates and prices of such purchase(s) or acquisition(s), and the number of Units the Person sold during the Class Period along with the dates and prices of such sales; (c) broker confirmations or other documentation of your transactions in Hi-Crush common units and (d) a statement that the Person wishes to be excluded from the Settlement Class.

The exclusion request should be addressed as follows:

Hi-Crush Partners L.P. Securities Litigation
Claims Administrator - EXCLUSION REQUEST
c/o GCG
P.O. Box 9349
Dublin, OH 43017-4249

NO REQUEST FOR EXCLUSION WILL BE CONSIDERED VALID UNLESS ALL OF THE INFORMATION DESCRIBED ABOVE IS INCLUDED IN ANY SUCH REQUEST AND RECEIVED WITHIN THE TIME STATED ABOVE, OR IS OTHERWISE ACCEPTED BY THE COURT.

If you timely and validly request exclusion from the Settlement Class, (a) you will be excluded from the Settlement Class, (b) you will not share in the proceeds of the Settlement described herein, (c) you will not be bound by any judgment entered in the case, and (d) you will not be precluded, by reason of your decision to request exclusion from the Settlement Class, from otherwise prosecuting an individual claim, if timely, against the Defendants based on the matters complained of in the litigation. The Defendants may withdraw from and terminate the Settlement if Settlement Class Members who purchased in excess of a certain amount of Units exclude themselves from the Settlement Class.

H. What If A Settlement Class Member Is Deceased?

The authorized legal representative(s) of a Settlement Class Member may receive a recovery on behalf of the Settlement Class Member.

I. What If I Bought Hi-Crush Units On Someone Else's Behalf?

If you purchased or otherwise acquired Units during the Class Period for the beneficial interest of a Settlement Class Member, you must either (a) send copies of the Notice and Claim Form to the beneficial owners of the Units within five business days from the receipt of the Notice, and provide written confirmation to the Claims Administrator of such; or (2) provide the names and addresses of such persons or entities to *Hi-Crush Partners L.P. Securities Litigation*, c/o GCG, P.O. Box 9349, Dublin, OH 43017-4249. If you choose the second option, the Claims Administrator will send a copy of the Notice and the Claim Form to the beneficial owners. Upon full compliance with these directions, such nominees may seek reimbursement of their reasonable expenses actually incurred, by providing the Claims Administrator with proper documentation supporting the out-of-pocket expenses for which reimbursement is sought.

Copies of this Notice and the Claim Form can be obtained from the website maintained by the Claims Administrator, www.HiCrushSecuritiesSettlement.com, by calling the Claims Administrator toll-free at 1-800-231-1815, or from Lead Counsel's website, www.kmllp.com.

J. How And What Do I Do To Make Sure The Claims Administrator Has My Correct Address?

If your address changes from the address to which this Notice was directed, you must notify the Claims Administrator of your new address as soon as possible. Failure to keep the Claims Administrator informed of your address may result in the loss of any monetary award you might be eligible to receive. Please send your new contact information to the Claims Administrator at the address listed below and include your old address, new address, new telephone number, date of birth, and last four digits of the Social Security number. These last two items are required so that the Claims Administrator can verify that the address change is from an actual Settlement Class Member.

Hi-Crush Partners L.P. Securities Litigation
Claims Administrator - ADDRESS CHANGE
c/o GCG
P.O. Box 9349
Dublin, OH 43017-4249

K. What Are The Plaintiffs Being Paid?

Plaintiffs will receive only their proportionate share of the recovery, the same as all other Settlement Class Members. However, Lead Counsel may apply for the reimbursement of the reasonable costs and expenses incurred by Lead Plaintiffs in connection with the prosecution and resolution of the Consolidated Action as part of Lead Counsel's Fee and Expense Application.

L. What Are The Plaintiffs' Counsels' Fees And Costs?

At the Settlement Hearing, Plaintiffs' Counsel will request that the District Court award attorneys' fees of 33 1/3% of the Gross Settlement Fund, plus expenses (exclusive of administration costs) not to exceed $115,000 which were incurred in connection with the litigation of the Consolidated Action, plus interest thereon, which may include the reasonable costs and expenses incurred by Lead Plaintiffs directly related to their representation of the Settlement Class, plus interest on such expenses at the same rate as earned on the Settlement Amount. Whatever amount is approved by the Court as legal fees and expenses will be paid from the Gross Settlement Fund.

To date, Plaintiffs' Counsel have not received any payment for their services in conducting this action, nor has counsel been reimbursed for their substantial expenses. The fees requested by Plaintiffs' Counsel will compensate Plaintiffs' Counsel for their efforts in achieving the Gross Settlement Fund for the benefit of the Settlement Class, and for their risk in undertaking this representation on a wholly-contingent basis. If the amount requested is approved by the Court, the average cost per damaged unit will be $0.50.

M. How Will the Notice Costs and Expenses Be Paid?

Lead Counsel are authorized by the Stipulation to pay the Claims Administrator's fees and expenses incurred in connection with giving notice, administering the Settlement, and distributing the Net Settlement Fund to Settlement Class Members.

III. PLAINTIFFS' AND PLAINTIFFS' COUNSEL SUPPORT THE SETTLEMENT

Plaintiffs and their Counsel believe that the claims asserted against the Defendants have merit. Plaintiffs and their Counsel recognize, however, the expense and length of continued proceedings necessary to pursue their claims against these Defendants through trial and appeals, as well as the difficulties in establishing liability and damages at trial. Plaintiffs and their Counsel have also taken into account the possibility that the District Court would fail to certify the putative class and that the claims asserted in the Consolidated Action might have been dismissed in response to various motions the Defendants were expected to make, including motion for summary judgment, and have considered issues that would have been decided by a jury in the event of a trial of the Consolidated Action, including whether certain of the Defendants acted with an intent to mislead investors, whether all of the Settlement Class Members' losses were caused by the alleged misrepresentations or omissions and the amount of damages. Plaintiffs and their Counsel have considered the uncertain outcome and trial risk in complex lawsuits like this one, and that, even if they were successful, after the resolution of the appeals that were certain to be taken (which could take years to resolve), there may not be any funds in an amount significantly larger or even as much as the settlement amount. In addition, the limits on available insurance coverage and the fact that the insurance coverage provided to Defendants by the directors' and officers' policies would continue to be depleted by the costs of this ongoing litigation, were significant factors that Plaintiffs considered in connection with entering into the Settlement.

In light of the value of the Settlement and the immediacy of a cash recovery to the Settlement Class, Plaintiffs and their Counsel believe that the proposed Settlement is fair, reasonable, and adequate. Indeed, Plaintiffs and their Counsel believe that the Settlement achieved is an excellent result and in the best interests of the Settlement Class. The Settlement, which provides an immediate $3,800,000 in cash (less the various deductions described in this Notice), individually and collectively provides substantial benefits now as compared to the risk that a similar, smaller, or no recoveries would be achieved after a trial and appeals, possibly years in the future.

IV. WHAT OPPORTUNITY WILL I HAVE TO GIVE MY OPINION ABOUT THE SETTLEMENT?

A. How Can I Object To The Settlement, Plan of Allocation and Fee and Expense Application?

Any Settlement Class Member who does not request exclusion may object to the Settlement, the proposed Plan of Allocation, and/or the Fee and Expense Application. Objections must be in writing. You must file any written objection, together with copies of all other papers and briefs supporting the objection, with the Clerk's Office at the United States District Court for the Southern District of New York at the address set forth below on or before **November 28, 2014**. Your written objection should include all reasons for the objection, including any legal and evidentiary support you wish to bring to the Court's attention. The objection must also include your name, address, telephone number, and the number of Units you purchased or acquired during the Class Period, including proof of your purchase or acquisition of Units. You must also serve the papers on designated representative Lead Counsel and Defendants' counsel at the addresses set forth below for their respective counsel so that the papers are ***received*** **on or before November 28, 2014**.

To be considered, your objection must be filed with the Office of the Clerk's Office no later than **November 28, 2014**, to:

Clerk's Office
Clerk of the Court
United States District Court
Southern District of New York
Daniel Patrick Moynihan
United States Courthouse
500 Pearl Street
New York, NY 10007
Re: *In re Hi-Crush Partners L.P. Securities Litigation*
Case No. 12 Civ. 8557 (CM)

Defendants' Counsel
Michael C. Holmes, Esq.
Vinson & Elkins L.L.P.
2001 Ross Avenue,
Suite 3700
Dallas, TX 75201

Lead Counsel
Ira M. Press, Esq.
Thomas W. Elrod, Esq.
Beverly T. Mirza, Esq.
Kirby McInerney LLP
825 Third Avenue,
16th Floor
New York, NY 10022

You may file a written objection without having to appear at the Settlement Hearing. You may not, however, appear at the Settlement Hearing to present your objection unless you first filed and served a written objection in accordance with the procedures described above, unless the Court orders otherwise.

If you file an objection to the Settlement, Plan of Allocation, and/or the Fee and Expense Application you also have a right to appear at the Settlement Hearing either in person or through counsel hired by you at your own expense. You are not required, however, to hire an attorney to represent you in making written objections or in appearing at the Settlement Hearing. If you wish to be heard orally at the hearing in opposition to the approval of the Settlement, the Plan of Allocation, or the Fee and Expense Application, and if you file and serve a timely written objection as described above, you must also file a notice of appearance with the Clerk's Office and serve it on the Claims Administrator at the address set forth above. Persons who intend to object and desire to present evidence at the Settlement Hearing must include in their written objection or notice of appearance the identity of any witnesses they may call to testify and exhibits they intend to introduce into evidence at the hearing.

Unless the District Court orders otherwise, any Settlement Class Member who does not object in the manner described above will be deemed to have waived any objection and shall be forever foreclosed from making any objection to the proposed Settlement, the proposed Plan of Allocation and the Plaintiffs' Fee and Expense Application. Settlement Class Members do not need to appear at the Settlement Hearing or take any other action to indicate their approval.

B. What Rights Am I Giving Up By Remaining In The Class?

If you remain in the Settlement Class, you will be bound by any orders issued by the District Court. For example, if the District Court approves the Settlement, the District Court will enter the Final Approval Order and Judgment. The Final Approval Order and Judgment will dismiss with prejudice the claims against the Defendants and will provide that, upon the Effective Date of the Settlement, Plaintiffs and each of the other members of the Settlement Class on behalf of themselves, their respective heirs, executors, administrators, predecessors, successors, and assigns, among others, shall be deemed by operation of law to have fully granted and completely discharged, dismissed with prejudice, settled and released, and agreed to be barred by a permanent injunction from the assertion of, Released Claims against any of the Released Parties and their attorneys.

"Released Claims" means any and all manner of claims, demands, rights, liabilities, losses, obligations, duties, damages, costs, debts, expenses, interest, penalties, sanctions, fees, attorneys' fees, actions, potential actions, causes of action, suits, judgments, decrees, matters, as well as issues and controversies of any kind, whether known or unknown, disclosed or undisclosed, accrued or unaccrued, apparent or unapparent, foreseen or unforeseen, suspected or unsuspected, fixed or contingent, including Unknown Claims, that Plaintiffs or any and all members of the Settlement Class ever had, now have, or may have, or otherwise could, can, or might assert, whether direct, individual, class, representative, legal, equitable, or of any other type, in their capacity as unitholders of Hi-Crush, against any of the Released Parties, whether based on state, local, foreign, federal, statutory, regulatory, common, or other law or rule (including, but not limited to, any claims under federal securities laws or state common law), which, now or hereafter, are based upon, arise out of, relate in any way to, or involve, directly or indirectly, any of the actions, transactions, occurrences, statements, representations, misrepresentations, omissions, allegations, facts, practices, events, claims, or any other matters, that were, could have been, or in the future can or might be alleged, asserted, set forth, or claimed in connection with the Consolidated Action or the subject matter of the Consolidated Action in any court, tribunal, forum, or proceeding, including, without limitation, any and all claims that are based upon, arise out of, relate in any way to, or involve, directly or indirectly, (i) Hi-Crush's public statements and SEC filings during the Class Period which arise out of or relate in any way to the subject matter of the Consolidated Action; (ii) actions taken by the Individual Defendants during the Class Period which arise out of or relate in any way to the subject matter of the Consolidated Action; (iii) any transaction in Hi-Crush securities by any Defendant or affiliated entity during the Class Period; and (iv) public statements made by the Individual Defendants during the Class Period which arise out of or relate in any way to the subject matter of the Consolidated Action; *provided, however*, that the Released Claims shall not include the right to enforce the Stipulation of Settlement.

"Released Parties" means, whether or not each or all of the following Persons or entities were named in the Consolidated Action or any related suit, (i) any and all Defendants and former defendants in this Action, including but not limited to the Individual Defendants and the Underwriter Defendants; (ii) any Person which is, was, or will be related to or affiliated with any or all of the Defendants or in which any or all of the Defendants has, had, or will have a controlling interest; and (iii) the respective past or present direct or indirect family members, spouses, heirs, trusts, trustees, receivers, executors, estates, administrators, beneficiaries, distributees, foundations, agents, employees, fiduciaries, general partners, limited partners, partnerships, joint ventures, affiliated investment funds, affiliated investment vehicles, affiliated investment managers, affiliated investment management companies, member firms, corporations, parents, subsidiaries, divisions, affiliates, associated entities, stockholders, principals, officers, directors, managing directors, members, managers, predecessors, predecessors-in-interest, successors, successors-in-interest, assigns, bankers, underwriters, brokers, dealers, lenders, attorneys, insurers, co-insurers, re-insurers, and associates of each and all of the foregoing.

"Unknown Claims" means any claim that Plaintiffs or any members of the Settlement Class does not know or suspect exists in his, her, or its favor at the time of the release of the Released Claims as against the Released Parties, including, without limitation, those claims which, if known, might have affected the decision to enter into the Stipulation. With respect to any of the Released Claims, the Parties stipulate and agree that upon final approval of the Settlement, Plaintiffs shall expressly and each member of the Settlement Class shall be deemed to have waived, relinquished, and released any and all provisions, rights, and benefits conferred by or under California Civil Code § 1542 or any law of the United States or any state of the United States, or principle of common law, which is similar, comparable, or equivalent to California Civil Code § 1542, which provides:

> A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.

Plaintiffs acknowledge, and the members of the Settlement Class by operation of law shall be deemed to have acknowledged, that they may discover facts in addition to or different from those now known or believed to be true with respect to the Released Claims, but that it is the intention of Plaintiffs, and by operation of law the members of the Settlement Class, to completely, fully, finally, and forever extinguish any and all Released Claims, known or unknown, suspected or unsuspected, which now exist, or previously existed, or may hereafter exist, and without regard to the subsequent discovery of additional or different facts. Plaintiffs acknowledge, and the members of the Settlement Class by operation of law shall be deemed to have acknowledged, that the inclusion of Unknown Claims in the definition of Released Claims was separately bargained for, was a material element of the Settlement, and was relied upon by each and all of the Defendants in entering into the Stipulation of Settlement.

The Final Approval Order and Judgment will also provide that, upon the Effective Date of the Settlement, each Defendant, on behalf of himself, herself, or itself, his, her or its heirs, executors, administrators, predecessors, successors, and assigns, shall be deemed by operation of law to have fully granted and completely discharged, dismissed with prejudice, settled and released, and agreed to be barred by a permanent injunction from the assertion of Released Defendants' Claims against Plaintiffs, Plaintiffs' Counsel and the other members of the Settlement Class and their respective counsel.

"Released Defendants' Claims" means any and all claims, rights, liabilities, or causes of action, whether based on federal, state, local, statutory, or common law or any other law, rule, or regulation, including both known claims and Unknown Claims, that have been or could have been asserted in the Consolidated Action or any forum by the Defendants or Released Parties, against any of the Plaintiffs and Plaintiffs' Counsel, other members of the Settlement Class or their respective attorneys, which arise out of or relate in any way to the institution, prosecution, defense, and the settlement of the Consolidated Action; *provided, however*, that the release of Plaintiffs and Plaintiffs' Counsel, and Settlement Class Members and their counsel, shall not include the right to enforce the Stipulation of Settlement. Released Defendants' Claims also do not include, release, bar, or waive claims against any Person who submits a request for exclusion from the Settlement Class and who does not withdraw his, her, or its request for exclusion and whose request is accepted by the District Court.

V. SETTLEMENT HEARING

The District Court will hold a Settlement Hearing at 9:30 a.m. on December 19, 2014 in Courtroom 17C of the United States District Court for the Southern District of New York, Daniel Patrick Moynihan United States Courthouse, 500 Pearl Street, New York, NY 10007, to determine whether the Settlement should be finally approved as fair, reasonable, and adequate. The District Court will also be asked to approve the proposed Plan of Allocation and the Fee and Expense Award. The District Court may adjourn or continue the Settlement Hearing without further notice to the Settlement Class. If you intend to attend the Settlement Hearing, you should confirm the date and time with Lead Counsel.

Settlement Class Members do not need to attend the Settlement Hearing. The District Court will consider any submission made in accordance with the provisions in this Notice even if the Settlement Class Member does not attend the hearing. You can participate in the Settlement without attending the Settlement Hearing. You are not obligated to attend the Settlement Hearing.

VI. GETTING MORE INFORMATION

This Notice is a summary and does not describe all of the details of the Stipulation. For precise terms and conditions of the Settlement, you may review the Stipulation filed with the District Court, as well as the other pleadings and records of this litigation, which may be inspected during business hours, at the office of the Clerk of the Court, United States District Court, Southern District of New York, Daniel Patrick Moynihan United States Courthouse, 500 Pearl Street, New York, NY 10007, at www.HiCrushSecuritiesSettlement.com, or from Lead Counsel's website, www.kmllp.com. Settlement Class Members without access to the internet may be able to review this document online at locations such as a public library.

If you have any questions about the settlement of the Consolidated Action, you may contact Lead Counsel:

Ira M. Press
Thomas W. Elrod
Beverly T. Mirza
KIRBY McINERNEY LLP
825 Third Avenue, 16th Floor
New York, NY 10022
Tel: (212) 371-6600

You may also call or write to the Claims Administrator at Hi-Crush Partners L.P. Securities Litigation, c/o GCG, P.O. Box 9349, Dublin, OH 43017-4249, or call 1-800-231-1815, stating that you are requesting assistance regarding the Hi-Crush litigation.

DO NOT TELEPHONE OR WRITE THE DISTRICT COURT OR THE OFFICE OF THE CLERK OF THE COURT REGARDING THIS NOTICE.

DATED: October 3, 2014

BY ORDER OF THE DISTRICT COURT, UNITED STATES DISTRICT COURT SOUTHERN DISTRICT OF NEW YORK

Must be Postmarked No Later Than January 31, 2015

Hi-Crush Partners L.P. Securities Litigation
c/o GCG
P.O. Box 9349
Dublin, OH 43017-4249
1-800-231-1815
www.HiCrushSecuritiesSettlement.com

HCL

Claim Number:

Control Number:

PROOF OF CLAIM AND RELEASE

YOU MUST COMPLETE THIS CLAIM FORM AND SUBMIT IT BY JANUARY 31, 2015 TO BE ELIGIBLE TO SHARE IN THE SETTLEMENT.

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Important - *This form should be completed IN CAPITAL LETTERS using BLACK or DARK BLUE ballpoint/fountain pen. Characters and marks used should be similar in the style to the following:*

A B C D E F G H I J K L M N O P Q R S T U V W X Y Z 1 2 3 4 5 6 7 0

PART I - CLAIMANT IDENTIFICATION

Claimant or Representative Contact Information:

The Claims Administrator will use this information for all communications relevant to this Claim (including the check, if eligible for payment). If this information changes, you MUST notify the Claims Administrator in writing at the address above.

Claimant Name(s) (as you would like the name(s) to appear on the check, if eligible for payment):

Street Address:

City: **Last 4 digits of Claimant SSN/TIN:**[1]

State: **Zip Code:** **Country (if Other than U.S.):**

Name of the Person you would like the Claims Administrator to Contact Regarding This Claim (if different from the Claimant Name(s) listed above:):

Daytime Telephone Number: - - **Evening Telephone Number:** - -

Email Address **(Email address is not required, but if you provide it you authorize the Claims Administrator to use it in providing you with information relevant to this claim.)**

NOTICE REGARDING ELECTRONIC FILES: Certain claimants with large numbers of transactions may request to, or may be requested to, submit information regarding their transactions in electronic files. To obtain the mandatory electronic filing requirements and file layout, you may visit the website at www.gcginc.com or you may e-mail the Claims Administrator at eClaim@gcginc.com. Any file not in accordance with the required electronic filing format will be subject to rejection. No electronic files will be considered to have been properly submitted unless the Claims Administrator issues an email after processing your file with your claim numbers and respective account information. Do not assume that your file has been received or processed until you receive this email. If you do not receive an email within 10 days of your submission, you should contact the electronic filing department at eClaim@gcginc.com to inquire about your file and confirm it was received and acceptable.

To view GCG's Privacy Notice, please visit http://www.gcginc.com/privacy

[1]The last four digits of the taxpayer identification number (TIN), consisting of a valid Social Security Number (SSN) for individuals or Employer Identification Number (EIN) for business entities, trusts, estates, etc., and telephone number of the beneficial owner(s) may be used in verifying this claim.

PART II - GENERAL INSTRUCTIONS

1. To recover as a member of the Settlement Class based on your claims in the action entitled In re Hi-Crush Partners, L.P. Securities Litigation, 12 Civ. 8557 (the "Consolidated Action"), you must complete and, on page 7 hereof, sign this Proof of Claim and Release (the "Claim Form"). If you fail to file a properly addressed (as set forth in section 3 below) Claim Form, your Claim may be rejected and you may be precluded from any recovery from the Net Settlement Fund created in connection with the proposed Settlement of the Consolidated Action[1].

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

3. YOU MUST MAIL YOUR COMPLETED AND SIGNED CLAIM FORM POSTMARKED ON OR BEFORE JANUARY 31, 2015, ADDRESSED AS FOLLOWS:

Hi-Crush Partners L.P. Securities Litigation
c/o GCG
P.O. Box 9349
Dublin, OH 43017-4249

If you are NOT a Member of the Settlement Class, as defined in the Notice of Pendency of Class Action and Proposed Settlement, Proposed Settlement Fairness Hearing, and Motion for an Award of Attorneys' Fees and Reimbursement of Litigation Expenses (the "Notice"), DO NOT submit a Claim Form.

4. If you are a Member of the Settlement Class, you are bound by the terms of any judgment entered in the Consolidated Action, WHETHER OR NOT YOU SUBMIT A CLAIM FORM.

DEFINITIONS

1. "Defendants" means Hi-Crush Partners, L.P. ("Hi-Crush" or the "Partnership"), Hi-Crush GP, LLC ("Hi-Crush GP"), Robert E. Rasmus, James M. Whipkey, Laura C. Fulton, and Jefferies V. Alston, III.

2. "Released Parties" and "Released Claims" are defined below.

CLAIMANT IDENTIFICATION

1. If you purchased or otherwise acquired Hi-Crush common units and held the certificate(s) in your name, you are the beneficial purchaser/acquirer, as well as the record purchaser/acquiror. If, however, the certificate(s) were registered in the name of a third party, such as a nominee or brokerage firm, you are the beneficial purchaser/acquiror and the third party is the record purchaser/acquiror.

2. THIS CLAIM MUST BE FILED BY THE ACTUAL BENEFICIAL PURCHASER(S) OR ACQUIROR(S), OR THE LEGAL REPRESENTATIVE OF SUCH PURCHASER(S) OR ACQUIROR(S) OF HI-CRUSH COMMON UNITS UPON WHICH THIS CLAIM IS BASED, NOT THE RECORD PURCHASER or ACQUIROR.

3. All joint purchasers or acquirors must sign this Claim Form. Executors, administrators, guardians, conservators, and trustees must complete and sign this Claim Form on behalf of Persons represented by them and their authority must accompany this Claim Form 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.

[1] Otherwise undefined terms have the definitions provided in the Stipulation of Settlement, dated September 12, 2014 (the "Stipulation").

PART II - GENERAL INSTRUCTIONS (CONTINUED)

CLAIM FORM

1. Use Part III of this Claim Form, entitled "Schedule of Transactions in Hi-Crush Common Units," to supply all required details of your transaction(s) in Hi-Crush common units. 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 with respect to all of your purchases and acquisitions and all of your sales of Hi-Crush common units that took place from September 25, 2012 and February 11, 2013, both dates inclusive (the "Settlement Class Period"), whether such transactions resulted in a profit or a loss. Failure to report all such transactions may result in the rejection of your Claim.

3. List each transaction in the Class Period separately and in chronological order, by trade date, beginning with the earliest. You must accurately provide the month, day, and year of each transaction you list.

4. The date of covering a "short sale" is deemed to be the date of purchase or acquisition of Hi-Crush common units. The date of a "short sale" is deemed to be the date of sale of Hi-Crush common units.

5. Broker confirmations or other documentation of your transactions in Hi-Crush common units must be attached to your Claim. Do not send original documents, including security certificates. If you no longer have copies of your broker's confirmations or statements, your broker may be able to get you copies. Failure to provide this documentation could delay verification of your Claim or result in rejection of your Claim.

6. The above requests are designed to provide the minimum amount of information necessary to process the most simple claims. The Claims Administrator may request additional information as required to efficiently and reliably calculate your losses. In some cases where the Claims Administrator cannot perform the calculation accurately or at a reasonable cost to the Settlement Class with the information provided, the Claims Administrator may condition acceptance of the Claim upon the production of additional information and/or the hiring of an accounting expert at the Claimant's cost.

PART III - SCHEDULE OF TRANSACTIONS IN HI-CRUSH COMMON UNITS

1. **BEGINNING HOLDINGS:** Number of units held at the beginning of trading on **September 25, 2012.** If none, write "zero" or "0". (Must be documented.)

Units

2. **PURCHASES/ACQUISITIONS:** Purchases or Acquisitions of units from **September 25, 2012** through **February 11, 2013**, inclusive.[1] (Must be documented.)

Date(s) of Purchase/Acquisition (List Chronologically) (Month/Day /Year)	Number of Units Purchased/Acquired	Purchase/Acquisition Price Per Unit	Net Purchase or Acquisition Price (excluding taxes, commissions and fees)	Check this box if the Purchase was the result of the exercise or assignment of an option[2]
/ /		.	.	
/ /		.	.	
/ /		.	.	
/ /		.	.	
/ /		.	.	

3. **SALES**: Sales from September 25, 2012 through February 11, 2013, inclusive, (Must be documented.)

Date(s) of Sale (List Chronologically) (Month/Day /Year)	Number of Units Sold	Sale Price Per Unit	Net Sale Price (excluding taxes, commissions and fees)	Units Sold Short (Y/N)
/ /		.	.	
/ /		.	.	
/ /		.	.	
/ /		.	.	
/ /		.	.	

4. **ENDING HOLDINGS:** Number of units of units held at close of trading on **February 11, 2013.** If none, write "zero" or "0". (Must be documented.)

Units

[1] Information requested with respect to your purchases/acquisitions of Hi-Crush common units from November 13, 2012 through and including February 11, 2013 is needed in order to balance your claim; purchases/acquisitions during this period, however, are not eligible under the Settlement and will not be used for purposes of calculating your Recognized Claim pursuant to the Plan of Allocation.

[2] If you check the box to indicate that the purchase was the result of the exercise or assignment of an options contract, you must provide documentation to support both the options purchase or sale and the exercise or assignment to purchase common stock.

IF YOU NEED ADDITIONAL SPACE TO LIST YOUR TRANSACTIONS YOU **MUST** PHOTOCOPY THIS PAGE AND CHECK THIS BOX ☐
IF YOU DO NOT CHECK THIS BOX THESE ADDITIONAL PAGES WILL **NOT** BE REVIEWED

PART IV – SUBMISSION TO JURISDICTION OF COURT AND ACKNOWLEDGMENTS

I (We) submit this Claim Form under the terms of the Stipulation described in the Notice. I (We) also submit to the jurisdiction of the United States District Court for the Southern District of New York with respect to my Claim as a Settlement Class Member (as defined in the Notice) and for purposes of enforcing the release set forth herein. I (We) further acknowledge that I (we) am (are) bound by and subject to the terms of any judgment that may be entered in the Consolidated Action. I (We) agree to furnish additional information to Lead Counsel to support this Claim if required to do so. I (We) have not submitted any other Claim covering the same purchases or acquisitions or sales of Hi-Crush common units during the Class Period and know of no other Person having done so on my (our) behalf.

PART V – RELEASE

1. I (We) hereby acknowledge full and complete satisfaction of, and do hereby fully, finally and forever settle, release, relinquish and discharge, all of the Released Claims against each and all of the Defendants and each and all of the "Released Parties," defined as (i) any and all Defendants and former defendants in this Action, including but not limited to the Individual Defendants and the Underwriter Defendants; (ii) any Person which is, was, or will be related to or affiliated with any or all of the Defendants and former defendants in this Action, including but not limited to the Individual Defendants and the Underwriter Defendants, or in which any or all of the Defendants or former defendants in this Action, including but not limited to the Individual Defendants and the Underwriter Defendants, has, had, or will have a controlling interest; and (iii) the respective past or present direct or indirect family members, spouses, heirs, trusts, trustees, receivers, executors, estates, administrators, beneficiaries, distributees, foundations, agents, employees, fiduciaries, general partners, limited partners, partnerships, joint ventures, affiliated investment funds, affiliated investment vehicles, affiliated investment managers, affiliated investment management companies, member firms, corporations, parents, subsidiaries, divisions, affiliates, associated entities, stockholders, principals, officers, directors, managing directors, members, managers, predecessors, predecessors-in-interest, successors, successors-in-interest, assigns, bankers, underwriters, brokers, dealers, lenders, attorneys, insurers, co-insurers, re-insurers, and associates of each and all of the foregoing.

2. "Released Claims" means any and all manner of claims, demands, rights, liabilities, losses, obligations, duties, damages, costs, debts, expenses, interest, penalties, sanctions, fees, attorneys' fees, actions, potential actions, causes of action, suits, judgments, decrees, matters, as well as issues and controversies of any kind, whether known or unknown, disclosed or undisclosed, accrued or unaccrued, apparent or unapparent, foreseen or unforeseen, suspected or unsuspected, fixed or contingent, including Unknown Claims, that Plaintiffs or any and all members of the Settlement Class ever had, now have, or may have, or otherwise could, can, or might assert, whether direct, individual, class, representative, legal, equitable, or of any other type, in their capacity as unitholders of Hi-Crush, against any of the Released Parties, whether based on state, local, foreign, federal, statutory, regulatory, common, or other law or rule (including, but not limited to, any claims under federal securities laws or state common law), which, now or hereafter, are based upon, arise out of, relate in any way to, or involve, directly or indirectly, any of the actions, transactions, occurrences, statements, representations, misrepresentations, omissions, allegations, facts, practices, events, claims, or any other matters, that were, could have been, or in the future can or might be alleged, asserted, set forth, or claimed in connection with the Consolidated Action or the subject matter of the Consolidated Action in any court, tribunal, forum, or proceeding, including, without limitation, any and all claims that are based upon, arise out of, relate in any way to, or involve, directly or indirectly, (i) Hi-Crush's public statements and SEC filings during the Class Period which arise out of or relate in any way to the subject matter of the Consolidated Action; (ii) actions taken by the Individual Defendants during the Class Period which arise out of or relate in any way to the subject matter of the Consolidated Action; (iii) any transaction in HI-Crush securities by any Defendant or affiliated entity during the Class Period; and (iv) public statements made by the Individual Defendants during the Class Period which arise out of or relate in any way to the subject matter of the Consolidated Action; provided, however, that the Released Claims shall not include the right to enforce the Stipulation of Settlement.

3. "Unknown Claims" means any claim that Plaintiffs or any members of the Settlement Class does not know or suspect exists in his, her, or its favor at the time of the release of the Released Claims as against the Released Parties, including, without limitation, those claims which, if known, might have affected the decision to enter into the Stipulation. With respect to any of the Released Claims, the Parties stipulate and agree that upon final approval of the Settlement, Plaintiffs shall expressly and each member of the Settlement Class shall be deemed to have waived, relinquished, and released any and all provisions, rights, and benefits conferred by or under California Civil Code § 1542 or any law of the United States or any state of the United States, or principle of common law, which is similar, comparable, or equivalent to California Civil Code § 1542, which provides:

> A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.

PART V – RELEASE (CONTINUED)

Plaintiffs acknowledge, and the members of the Settlement Class by operation of law shall be deemed to have acknowledged, that they may discover facts in addition to or different from those now known or believed to be true with respect to the Released Claims, but that it is the intention of Plaintiffs, and by operation of law the members of the Settlement Class, to completely, fully, finally, and forever extinguish any and all Released Claims, known or unknown, suspected or unsuspected, which now exist, or previously existed, or may hereafter exist, and without regard to the subsequent discovery of additional or different facts. Plaintiffs acknowledge, and the members of the Settlement Class by operation of law shall be deemed to have acknowledged, that the inclusion of Unknown Claims in the definition of Released Claims was separately bargained for, was a material element of the Settlement, and was relied upon by each and all of the Defendants in entering into the Stipulation of Settlement.

4. This release shall be of no force or effect unless and until the District Court approves the Stipulation and it becomes effective on the Effective Date.

5. 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.

6. I (We) hereby warrant and represent that I (we) have included information about all of my (our) transactions in Hi-Crush common units that occurred during the Class Period, as well as the number and type of Hi-Crush common units held by me (us) at the opening of trading on September 25, 2012, and at the close of trading on February 11, 2013.

UNDER THE PENALTY OF PERJURY, I (WE) CERTIFY THAT ALL OF THE INFORMATION I (WE) PROVIDED ON THIS PROOF OF CLAIM AND RELEASE FORM IS TRUE, CORRECT AND COMPLETE.

Signature of Claimant (if this claim is being made on behalf of Joint Claimants, then each must sign.)

_____
Signature of Claimant

_____ _____
Print Name of Claimant Date

_____
Signature of Joint Claimant, if any

_____ _____
Print Name of Joint Claimant, if any Date

If Claimant is other than an individual, or is not the person completing this form, the following also must be provided:

_____
Signature of Person Completing Form

_____ _____
Print Name of Person Completing Form Date

_____
Capacity of person signing on behalf of claimant, if other than an individual, e.g., executor, president, trustee, custodian, etc.

REMINDER CHECKLIST

1. Please sign the Signature Section of the Proof of Claim and Release form.

2. If this Proof of Claim and Release form is being made on behalf of Joint Claimants, then both must sign.

3. Remember to attach supporting documentation.

4. **DO NOT SEND ORIGINALS OF ANY SUPPORTING DOCUMENTS.**

5. Keep a copy of your Proof of Claim and Release form and all documentation submitted for your records.

6. The Claims Administrator will acknowledge receipt of your Proof of Claim by mail, within 60 days. **Your claim is not deemed filed until you receive an acknowledgement postcard.** If you do not receive an acknowledgement postcard within 60 days, please call the Claims Administrator.

7. If you move, please send your new address to the Claims Administrator at the address below.

8. Do not use highlighter on the Proof of Claim and Release form or supporting documentation.

THIS PROOF OF CLAIM MUST BE POSTMARKED NO LATER THAN JANUARY 31, 2015 AND MUST BE MAILED TO:

Hi-Crush Partners L.P. Securities Litigation
c/o GCG
P.O. Box 9349
Dublin, OH 43017-4249
1-800-231-1815
www.HiCrushSecuritiesSettlement.com

EXHIBIT B

INVESTOR'S BUSINESS DAILY®

Affidavit of Publication

Name of Publication:	Investor's Business Daily
Address:	12655 Beatrice Street
City, State, Zip:	Los Angeles, CA 90066
Phone #:	310.448.6700
State of:	California
County of:	Los Angeles

I, **Stephan Johnson**, for the publisher of **Investor's Business Daily**, published in the city of Los Angeles, state of California, county of Los Angeles hereby certify that the attached notice for **The Garden City Group, Inc.** was printed in said publication on the following date:

October 14th, 2014: HI-CRUSH PARTNERS L.P. SECURITIES LITIGATION

State of California
County of Los Angeles

Subscribed and sworn to (or affirmed) before me on this 14th day of October, 2014, by Stephan Johnson, proved to me on the basis of satisfactory evidence to be the person(s) who appeared before me.

Signature Richard C. Brand II (Seal)

RICHARD C. BRAND II
Commission # 1923876
Notary Public - California
Los Angeles County
My Comm. Expires Feb 25, 2015

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

IN RE: HI-CRUSH PARTNERS L.P. SECURITIES LITIGATION	Civil Action No. 12-Civ-8557 (CM)

SUMMARY NOTICE

TO: ALL PERSONS WHO PURCHASED OR OTHERWISE ACQUIRED ANY UNIT(S) OF HI-CRUSH PARTNERS, L.P. ("HI-CRUSH") AT ANY TIME DURING THE PERIOD BEGINNING ON AND INCLUDING SEPTEMBER 25, 2012 THROUGH AND INCLUDING NOVEMBER 12, 2012, AND WHO WERE ALLEGEDLY DAMAGED THEREBY

YOU ARE HEREBY NOTIFIED, pursuant to an Order of the United States District Court for the Southern District of New York (the "District Court"), that a hearing will be held at 9:30 a.m. on December 19, 2014 before the Honorable Colleen McMahon, United States District Court Judge, in Courtroom 17C, at the Daniel Patrick Moynihan United States Courthouse, 500 Pearl Street, New York, New York, for the purpose of determining (1) whether the proposed settlement of the Consolidated Action for the principal amount of $3,800,000, plus accrued interest, should be approved by the District Court as fair, reasonable, and adequate; (2) whether the Final Approval Order and Judgment should be entered by the District Court dismissing the Consolidated Action with prejudice; (3) whether the proposed Plan of Allocation is fair, reasonable, and adequate and, therefore, should be approved; and (4) whether the Fee and Expense Application should be approved. In connection with the Fee and Expense Application, Lead Counsel will request attorneys' fees of 33 1/3% of the Gross Settlement Fund, plus expenses (exclusive of administration costs) not to exceed $115,000.

If you purchased or otherwise acquired common units in Hi-Crush during the period from September 25, 2012 through November 12, 2012, inclusive, your rights may be affected by the settlement of the Consolidated Action. If you have not received a detailed Notice of Pendency of Class Action and Proposed Settlement, Settlement Fairness Hearing, and Motion For an Award of Attorneys' Fees and Reimbursement of Litigation Expenses (the "Notice") and a copy of the Claim Form, you may obtain copies by writing to Hi-Crush Partners L.P. Securities Litigation, c/o GCG, P.O. Box 9349, Dublin, OH 43017-4249, or by calling 1-800-231-1815, or on the internet at www.hicrushsecuritiessettlement.com, or from Lead Counsel's website at www.kmllp.com. If you are a Settlement Class Member, in order to share in the distribution of the Net Settlement Fund, you must submit a Claim Form, postmarked on or before January 31, 2015, establishing that you are entitled to recovery.

If you desire to be excluded from the Settlement Class, you must submit a request for exclusion postmarked by no later than November 28, 2014, in the manner and form explained in the detailed Notice referred to above. All members of the Settlement Class who have not timely and validly requested exclusion from the Settlement Class will be bound by any judgment entered in the Consolidated Action pursuant to the Stipulation of Settlement dated as of September 12, 2014. If you properly and timely exclude yourself from the Settlement Class, you will not be bound by any judgments or orders entered by the Court in the Action and you will not be eligible to share in the proceeds of the Settlement.

Any objections to any aspect of the proposed Settlement, the proposed Plan of Allocation or Lead Counsel's application for an award of attorneys' fees and reimbursement of expenses, must be filed with the Court and delivered to designated representative Lead Counsel and counsel for the Defendants such that they are *received* no later than November 28, 2014, in accordance with the instructions set forth in the Notice.

PLEASE DO NOT CONTACT THE DISTRICT COURT OR THE CLERK'S OFFICE REGARDING THIS NOTICE. If you have any questions about the Settlement, you may contact Lead Counsel:

Ira M. Press, Esq.
Thomas W. Elrod, Esq.
Beverly T. Mirza, Esq.
KIRBY McINERNEY LLP
825 Third Avenue, 16th
New York, NY 10022
Tel: (212) 371-6600

DATED: October 14, 2014

BY ORDER OF THE DISTRICT COURT,
UNITED STATES DISTRICT COURT FOR
THE SOUTHERN DISTRICT OF NEW YORK

EXHIBIT C

Tammy Ollivier

From: newsroom@businesswire.com
Sent: Tuesday, October 14, 2014 6:02 AM
To: Tammy Ollivier
Subject: KIRBY MCINERNEY LLP: KIRBY MCINERNEY LLP: Release Issued for Business Wire Order #3233680c

Business Wire Connect Order #3233680c Release Issued

Tammy Ollivier,

Your news release was issued today at October 14, 2014 06:00 AM Pacific Daylight Time (U.S. and Canada).

Release Issued

If You Purchased Or Otherwise Acquired Any Unit(s) Of Hi-Crush Partners, L.P. From September 25, 2012 Through November 12, 2012, And Who Were Allegedly Damaged Thereby

Reports & Order History for this release

Business Wire Connect

Contacts

Your local Business Wire Newsroom is Philadelphia. You can contact them at +1 610.617.9560.

Your Business Wire Account Executive
Alexander Solms
Alexander.Solms@Businesswire.com
+1 703.243.0400
Business Wire

Thank you for using Business Wire.

Did you know if you add 1 piece of multimedia, your release is 10 times more likely to get read?

EXHIBIT D

Harold Rowell

Oct. 10, 2014

Dear Sirs:

Re: Hi-Crush L.P. Securities Litigation / Civil Action No. 12-Civ-8557 (CM)

RE: Claim Number : 01000719 and Control Number : 1017824227

This is my request I be excluded from the referenced settlement.
It also means that I release all manner of any future claims I may have had.

Sincerely yours
Harold Rowell

HERBERT M. SEYBOLD, MD

Dr. H. M. Seybold

NOV. 1, 2014

Hi Crush Partners L.P. Securities Litigation
C/O GCG
P.O. Box 9349
Dublin, OH. 43017-4249
WWW.HI-CRUSH SECURITIES SETTLEMENT COM.

GENTLEMEN;

I, HERBERT M. SEYBOLD, HUMBLY REQUEST EXCLUSION TO BE EXCLUDED FROM THE SETTLEMENT OF CASE IN REGARD TO HI-CRUSH PARTNERS L.P. SECURITIES LIGATION - CIVIL ACTION NO. 12-CIV-8557 (CM).

Herbert M. Seybold

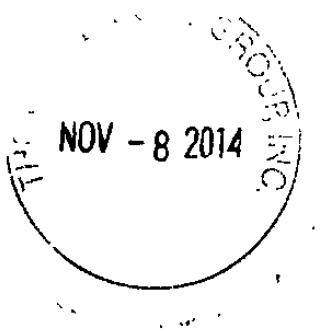
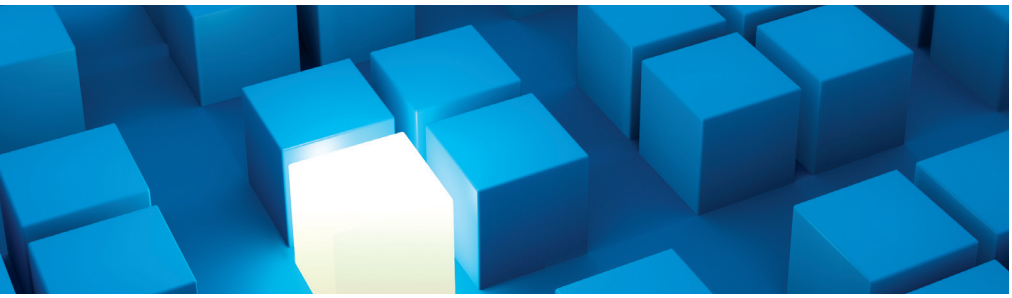


EXHIBIT 4

NERA
ECONOMIC CONSULTING

21 January 2014



Recent Trends in Securities Class Action Litigation: 2013 Full-Year Review

Large settlements get larger; small settlements get smaller

By Dr. Renzo Comolli and Svetlana Starykh

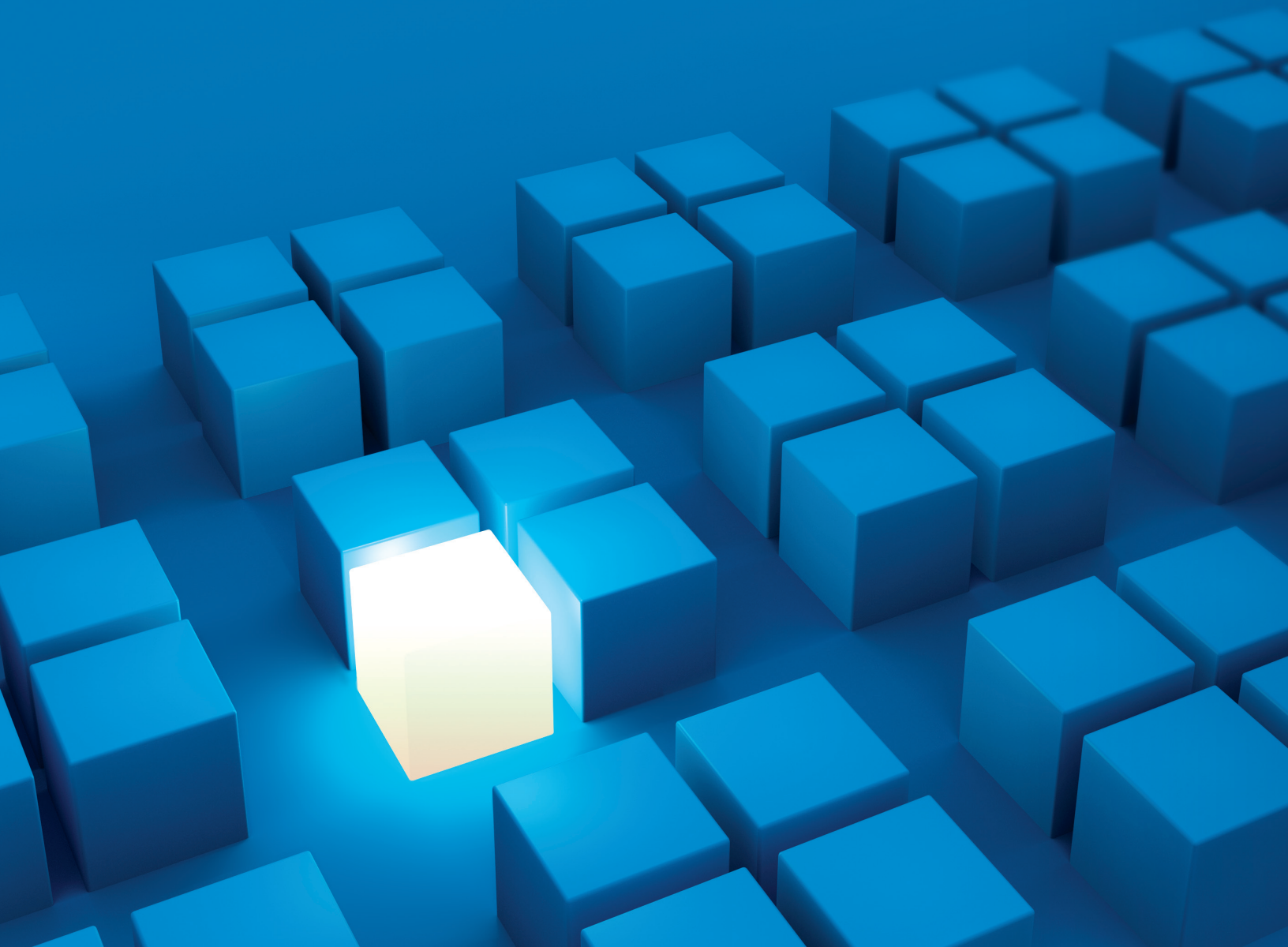
Insight in Economics™

2013 Highlights in Filings

- 10% increase in the number of federal securities class actions filed
- Filings in the 9th Circuit back to historical level, after the 2012 trough
- Filings in the 5th Circuit alleging violation of Rule 10b-5 roughly doubled

2013 Highlight in Dismissals and Settlements

- Number of settlements remained close to record low level
- 9 settlements above $100 million drove average settlement up, but smaller cases settled for less



Recent Trends in Securities Class Action Litigation: 2013 Full-Year Review

Large settlements get larger; small settlements get smaller

By Dr. Renzo Comolli and Svetlana Starykh[1]

21 January 2014

Introduction and Summary

Legal developments have dominated the news about federal securities class actions in 2013. Last February, the Supreme Court decision in *Amgen* resolved certain questions about materiality but focused the debate on *Basic* and the presumption of reliance, which are now back to the Supreme Court after *certiorari* was granted for the second time in *Halliburton*.

Against this legal backdrop, 2013 saw a small increase in the number of complaints filed for securities class actions in general and for class actions alleging violation of Rule 10b-5 in particular. Filings in the 5th Circuit doubled, while filings in the 9th Circuit bounced back after having dipped in 2012.

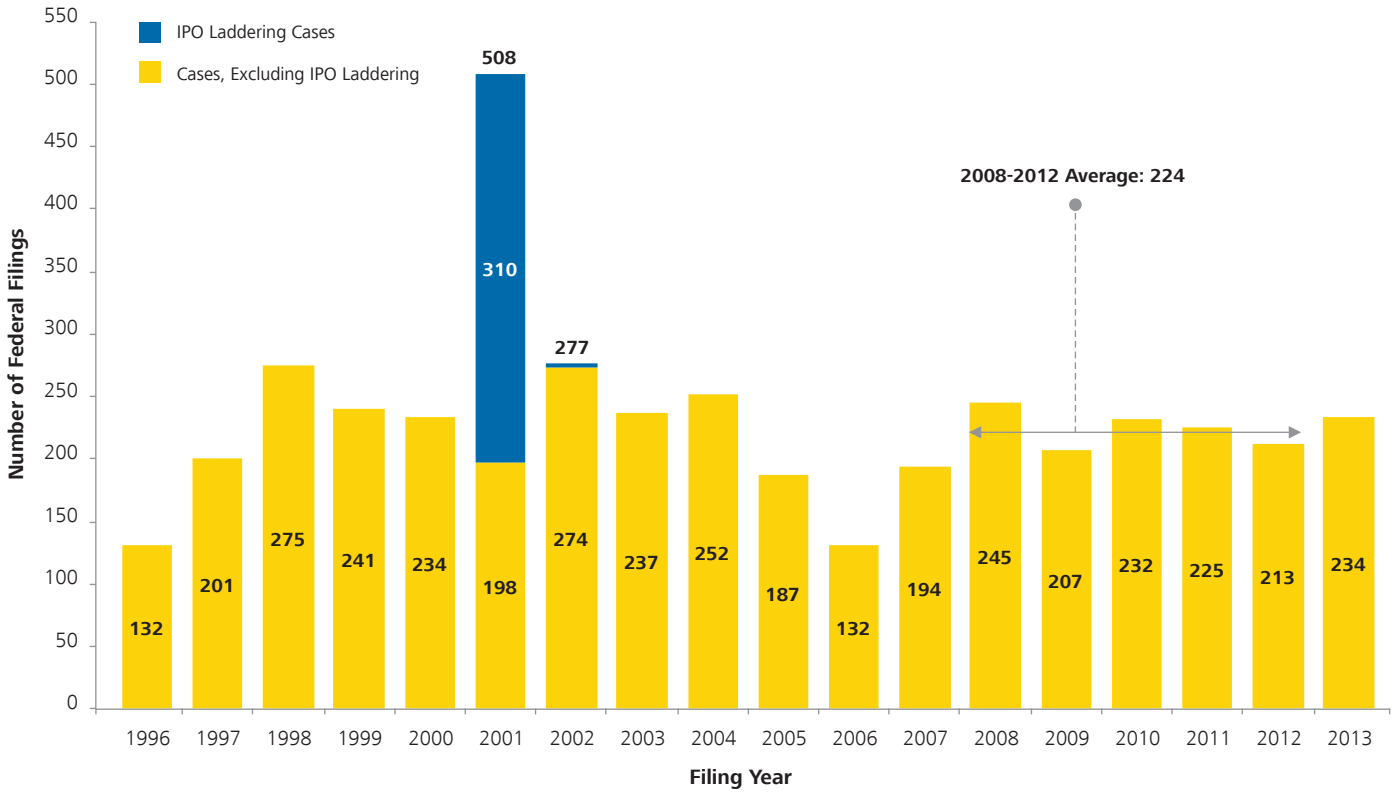
Settlement activity continued to proceed at a very slow pace after the 2012 record low. But the 2013 settlements include some large ones. Nine settlements passed the $100 million mark, driving average settlement amounts to record highs never seen before. On the other hand, the median settlement dropped substantially compared to 2012. In summary, 2013 was a year in which large settlements got larger and small settlements got smaller.

Trends in Filings[2]

Number of Cases Filed

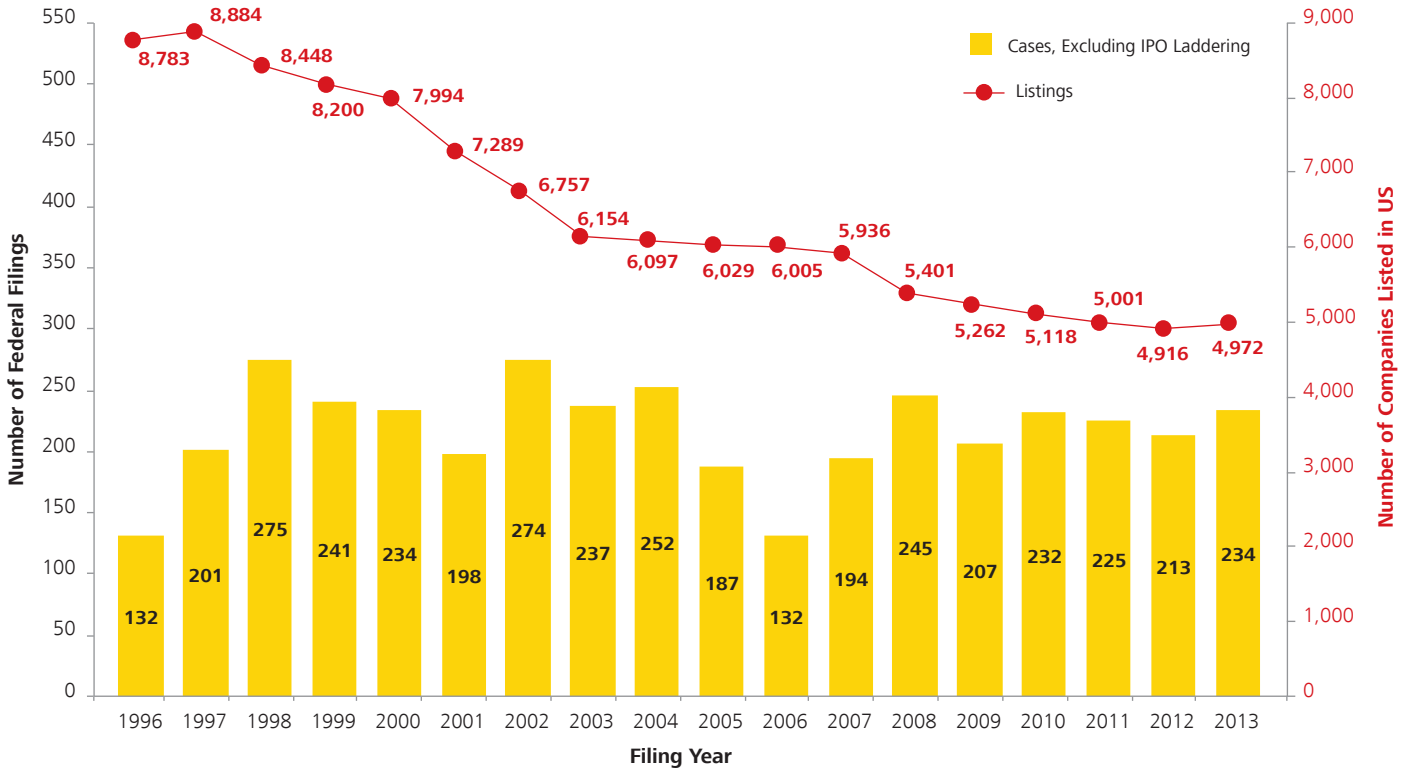
In 2013, 234 securities class action were filed in federal court. That level represents a 10% increase over 2012, and a slight increase compared to the average number of filings in the period 2008-2012. See Figure 1.

Figure 1. **Federal Filings**
January 1996 – December 2013



Over the 1996-2013 period, the number of publicly listed companies in the US decreased substantially. In 2013, 4,972 companies were listed in the US, 43% fewer than in 1996. Combined with the filing data, the implication of this decline is that an average company listed in the US was 83% more likely to be the target of a securities class action in 2013 than in the first five years after the passage of the PSLRA. See Figure 2.

Figure 2. **Federal Filings and Number of Companies Listed in United States**
January 1996 – December 2013



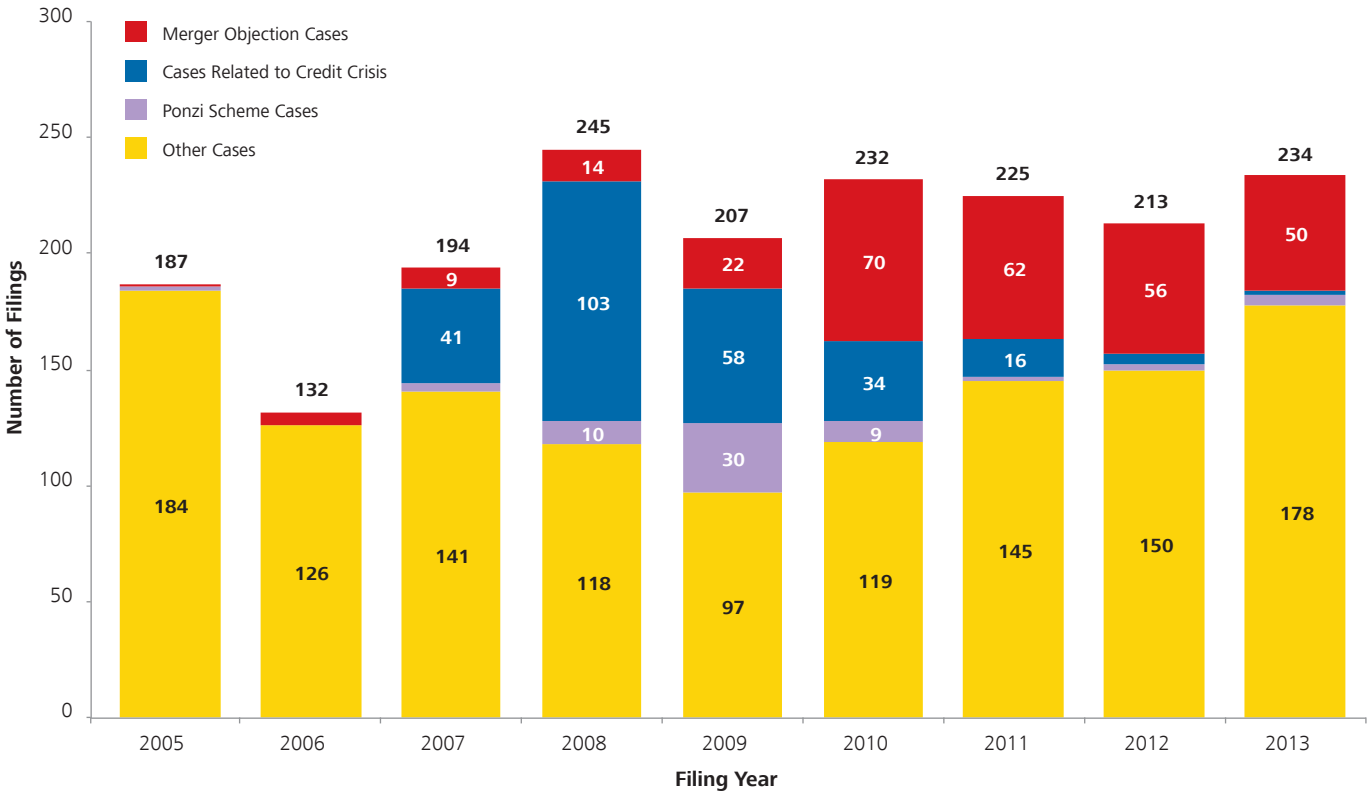
Note: Number of companies listed in US is from Meridian Securities Markets; 1996-2012 values are year-end; 2013 is as of October.

Filings by Type

The number of merger objection cases filed in federal court continued diminishing compared to its peak in 2010. In 2013, 50 such cases were filed; this figure includes merger objections alleging breach of fiduciary duty but not a violation of a securities law. In spite of their diminishing number, merger objections represented the largest distinct group of filings among those depicted here. Many more merger objection cases have been filed at state level: we don't include state cases in our counts.

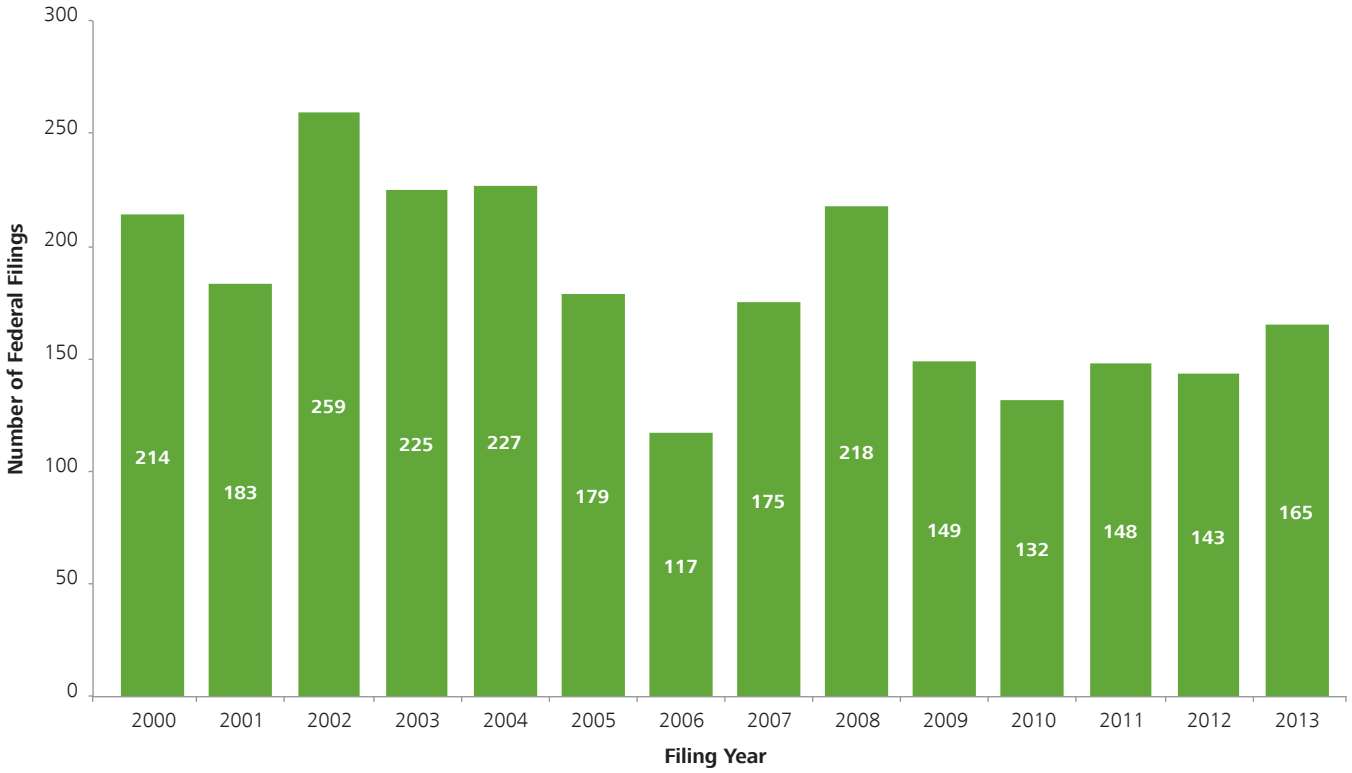
There were hardly any new filings related to the credit crisis in 2013, which was also the case in 2012.[3] Filings related to Ponzi schemes were also very few: just four. See Figure 3.

Figure 3. **Federal Filings**
January 2005 – December 2013



A different way of classifying filings is based on whether they allege violations of Rule 10b-5, Section 11, and/or Section 12. These filings are often regarded as "standard" securities class actions and are depicted in Figure 4. In 2013, 165 "standard" cases were filed, a 15% increase over 2012 and more than any year in the 2009-2012 period. This figure, however, is still much lower than the 218 "standard" cases filed in 2008 during the filing peak associated with the credit crisis.

Figure 4. **Federal Filings Alleging Violation of Any of: Rule 10b-5, Section 11, Section 12**
January 2000 – December 2013



Note: Excludes IPO laddering cases.

The Supreme Court's second grant of *certiorari* in *Halliburton* is commanding attention because of the possible impact it might have on securities class action litigation. The Supreme Court recently issued two other decisions about securities class actions alleging violation of Rule 10b-5: the first *Halliburton* decision and the *Amgen* decision. Figure 5 shows the number of 10b-5 class action monthly filings in the periods surrounding these decisions. Figures 6 and 7 are equivalent figures for the 2nd and the 5th Circuit, respectively. In the figure about the 2nd Circuit, we add the 2nd Circuit decision in *Solomon*; while in the chart about the 5th Circuit, we add the 5th Circuit decision *Oscar v Allegiance*.[4] In the 5th Circuit, 13 10b-5 class actions were filed in 2013 (all of them after the *Amgen* decision) compared to 6 filed in 2012 and 5 filed in 2011. Of course, we are not suggesting how much, if any, of the change in the filing activity is due to these decisions as, in these years, the litigation environment was influenced by many other factors but we do note a 48% increase in average monthly filings from the period *Amgen certiorari* – *Amgen* decision to the period *Amgen* decision – *Halliburton* second writ.

Figure 5. **Monthly 10b-5 Filings – All Circuits**
January 2007 – December 2013

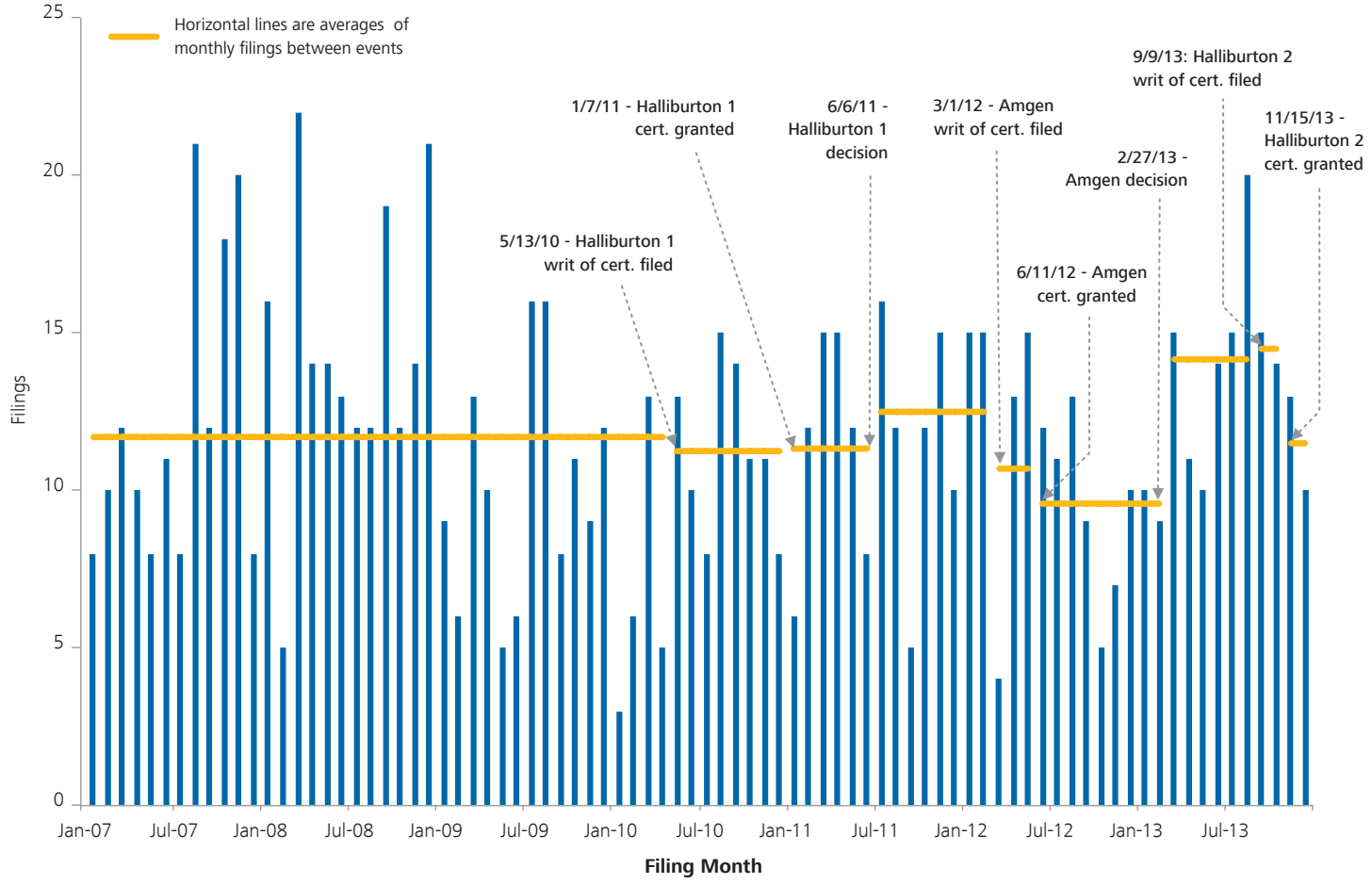


Figure 6. **Monthly 10b-5 Filings – Fifth Circuit**
January 2007 – December 2013

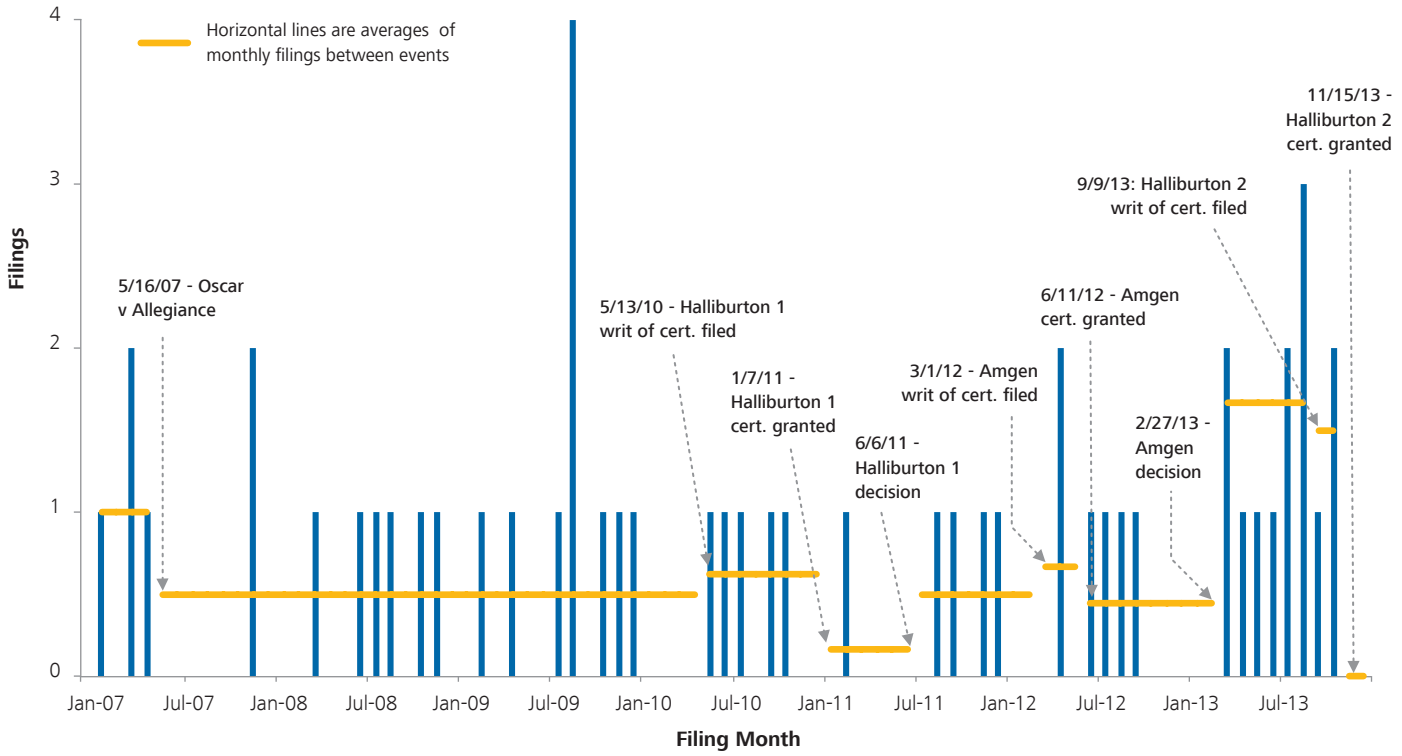
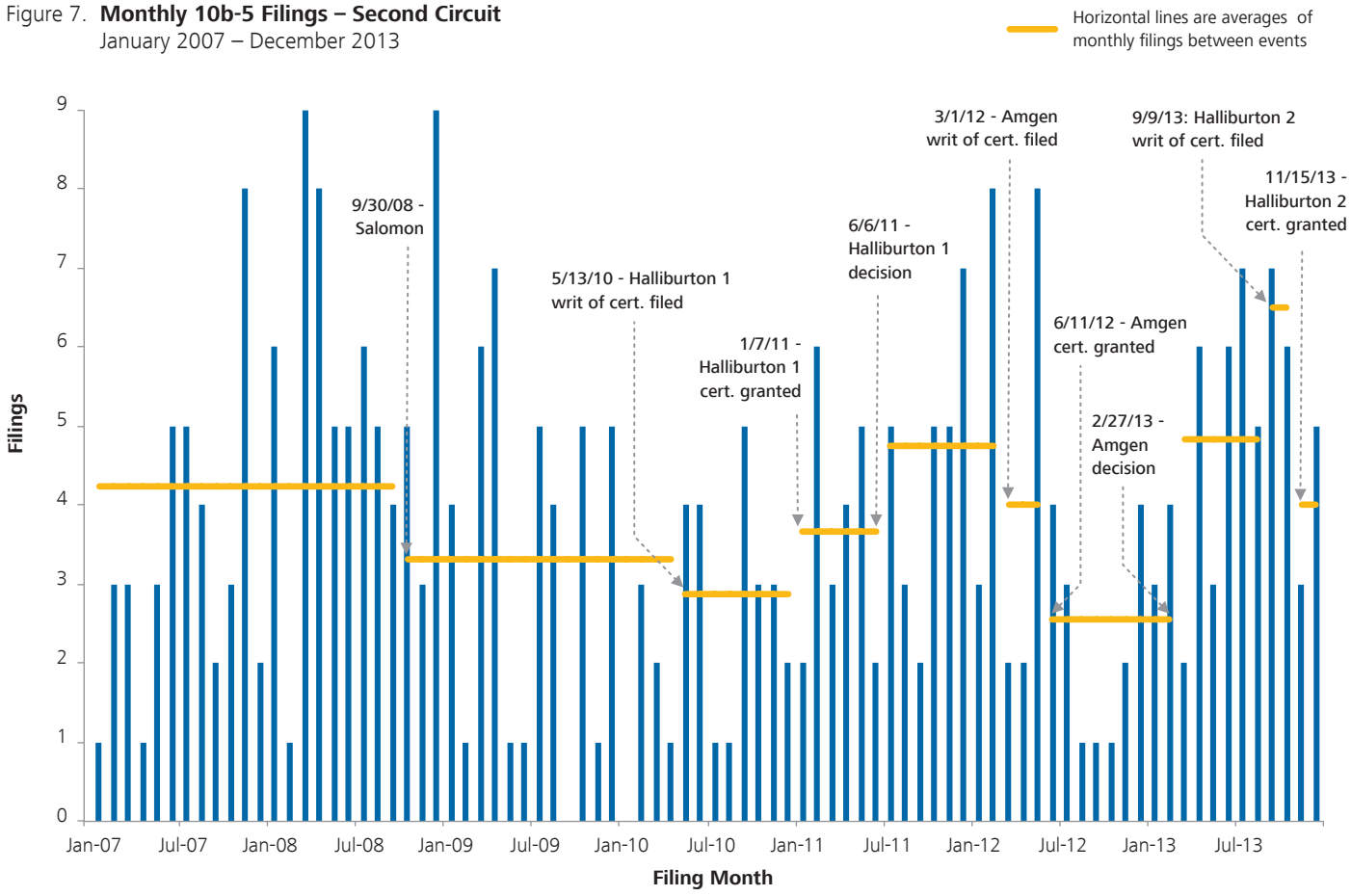


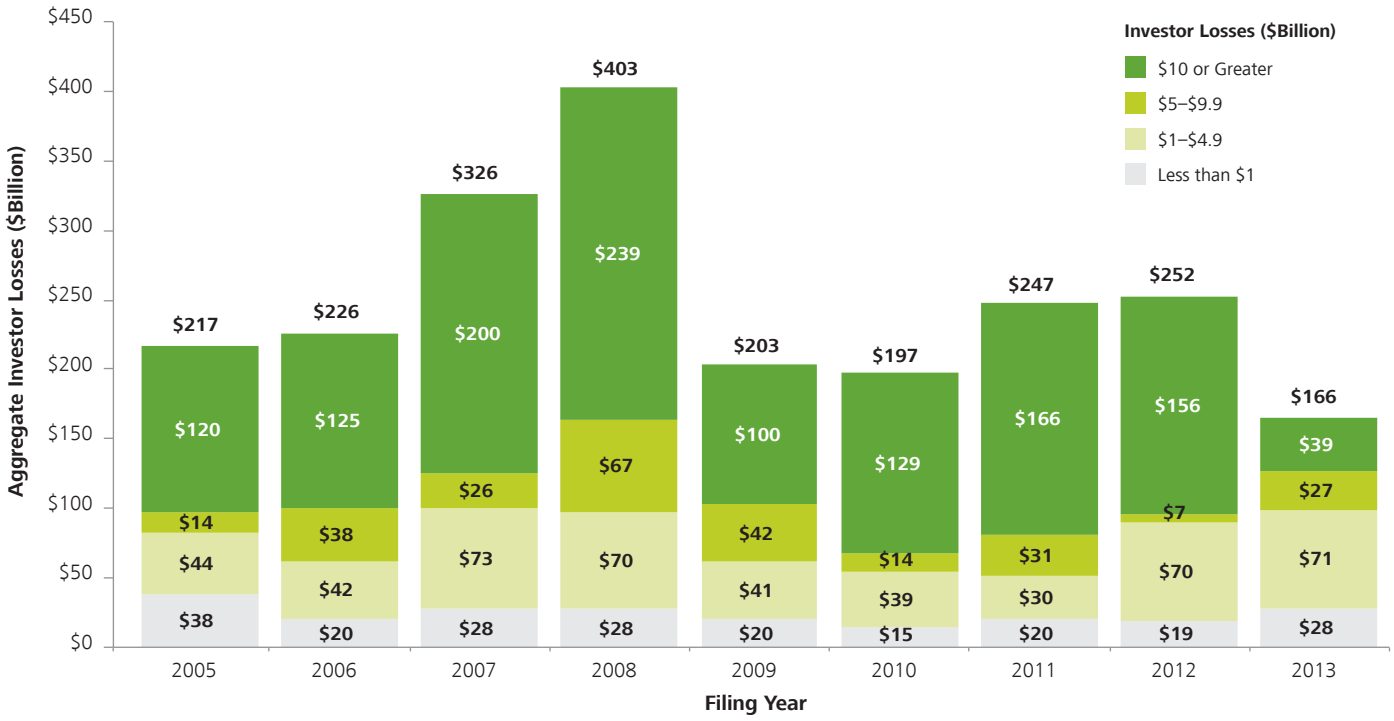
Figure 7. **Monthly 10b-5 Filings – Second Circuit**
January 2007 – December 2013



In addition to the number of filings, we also analyze the size of the cases that they represent using a measure we label "investor losses." Aggregate investor losses as shown in Figure 8 are simply the sum of total investor losses across all cases for which investor losses can be computed.

In 2013 aggregate investor losses were noticeably smaller than in any other year since 2005. The reduction was driven by the scarcity of filings associated with investor losses larger than $10 billion; only one such case was filed in 2013. Cases associated with investor losses in that range are very few in a given year, but because of their size, even just a couple of them can have a sizeable impact on the aggregate.

Figure 8. **Aggregate Investor Losses ($Billion) for Federal Filings with Alleged Violations of Rule 10b-5, Section 11, or Section 12**
January 2005 – December 2013



NERA's investor losses variable is a proxy for the aggregate amount that investors lost from buying the defendant's stock rather than investing in the broader market during the alleged class period. Note that the investor losses variable is not a measure of damages, since any stock that underperforms the S&P 500 would have "investor losses" over the period of underperformance; rather, it is a rough proxy for the relative size of investors' potential claims. Historically, "investor losses" have been a powerful predictor of settlement size. Investor losses can explain more than half of the variance in the settlement values in our database.

We do not compute investor losses for all cases included in this publication. For instance, class actions in which only bonds and not common stock are alleged to have been damaged are not included. The largest excluded groups are the IPO laddering cases and the merger objection cases. NERA reports on securities class actions published before 2012 did not include investor losses for cases with only Section 11 allegations, but such cases are included here. The calculation for these cases is somewhat different than for cases with 10b-5 claims.

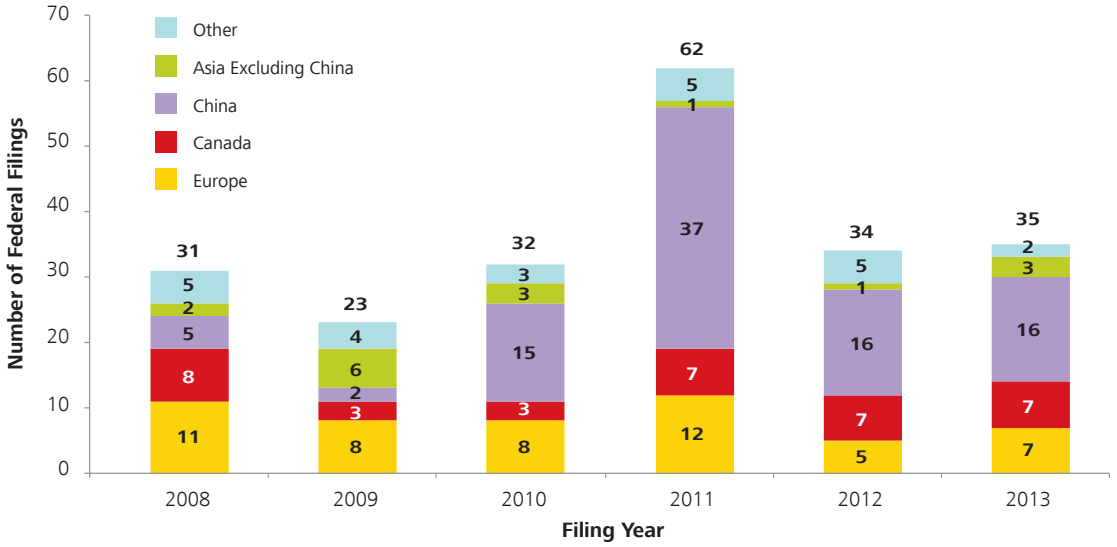
Technically, the investor losses variable explains more than half of the variance in the logarithm of settlement size. Investor losses over the class period are measured relative to the S&P 500, using a proportional decay trading model to estimate the number of affected shares of common stock. We measure investor losses only if the proposed class period is at least two days.

Filings by Issuers' Country of Domicile[5]

In 2011, a record number of cases were filed against foreign issuers, with a total of 62. More than half of those cases reflected a surge of filings against companies domiciled or with principal executive offices in China. Filings against Chinese companies dropped significantly in 2012 and remained constant in 2013, with only 16 suits filed. See Figure 6. The total number of filings against all foreign-domiciled companies followed a similar pattern. See Figure 9.

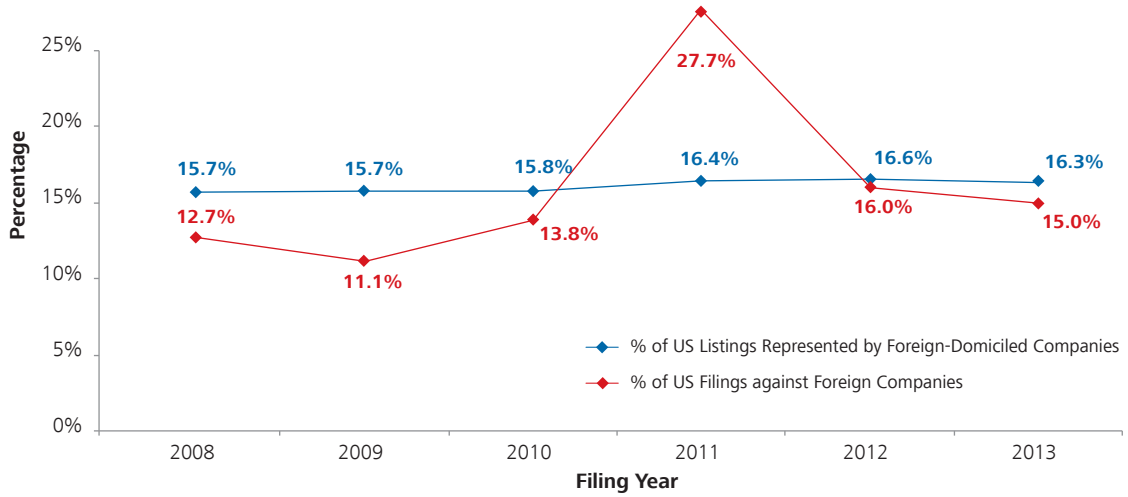
Figure 10 shows that in 2011 foreign-domiciled companies were disproportionally targeted by securities class actions. That is, securities class actions against foreign-domiciled companies represented a larger proportion of total securities class actions compared with the proportion that listings of foreign-domiciled companies represented of total listed companies. In 2012 and 2013 foreign-domiciled companies have not been disproportionally targeted.

Figure 9. **Filings by Foreign Company Domicile and Year**
January 2008 – December 2013



Note: Companies with principal executive offices in China are included in the totals for China.

Figure 10. **Foreign-Domiciled Companies: Share of Filings and Share of All Companies Listed in United States**
January 2008 – December 2013



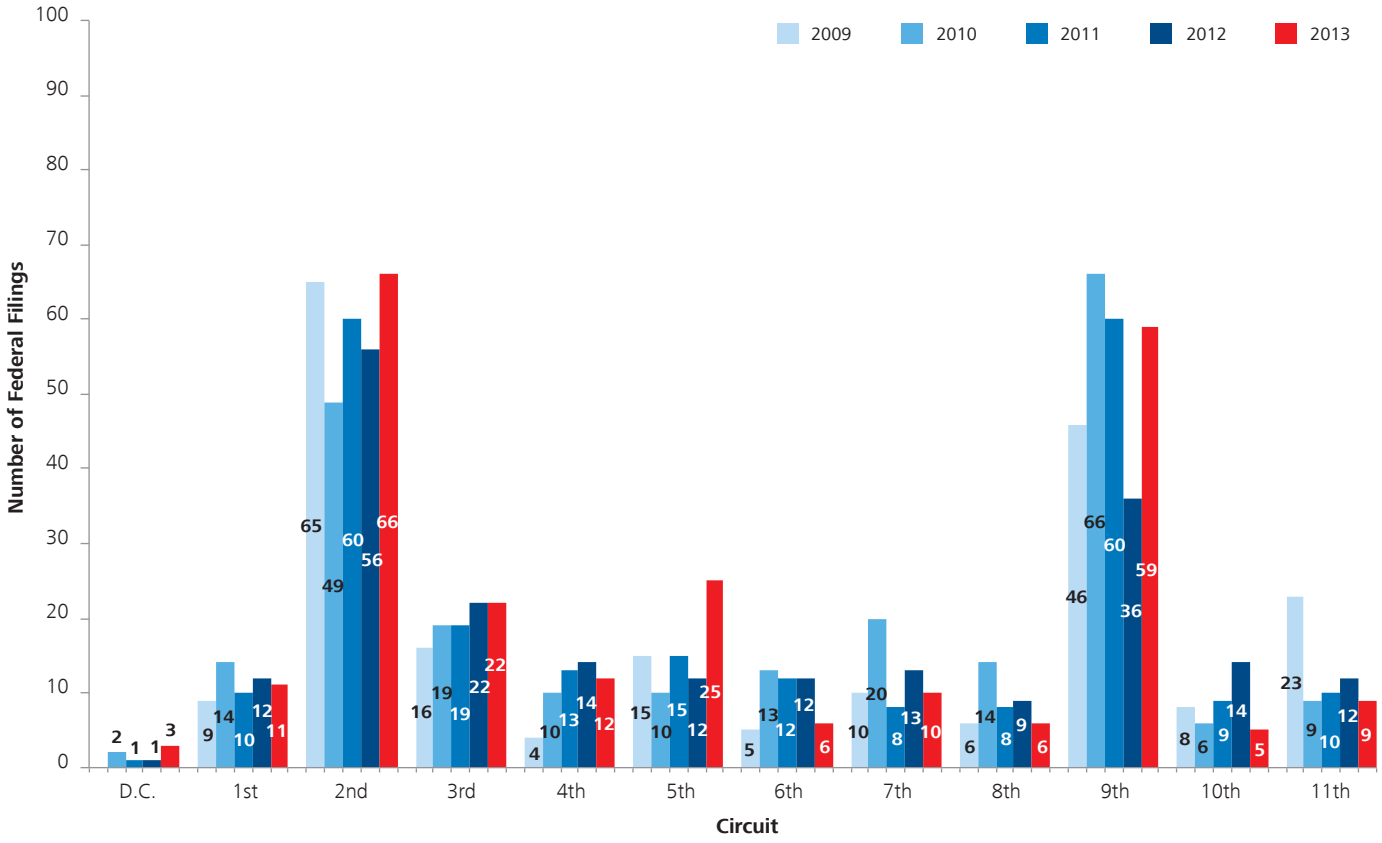
Note: Companies with principal executive offices in China are included in the counts of foreign companies.

Filings by Circuit

Historically, filings have been concentrated in two US circuits, and 2013 was no exception: the 2nd and the 9th Circuits, which respectively include New York and California, together accounted for 53% of the 2013 filings. Filings in the 9th Circuit rebounded markedly from the low in 2012: 59 cases were filed there in 2013, a 64% increase from the previous year and close to the 2009-2011 average. The 2nd Circuit exhibited a comparatively smaller increase: 66 cases were filed there in 2013, an increase of 18% compared to the previous year. See Figure 11.

In the 5th Circuit, more than twice as many securities class actions were filed in 2013 as in 2012. With 25 cases filed, the 5th Circuit, which includes Texas, still represented only 11% of the US cases. However, the 2013 level was exceptional for the 5th Circuit: it was the highest level since 2000. This increase is related to the increase in 10b-5 class action filings discussed in Figure 6.

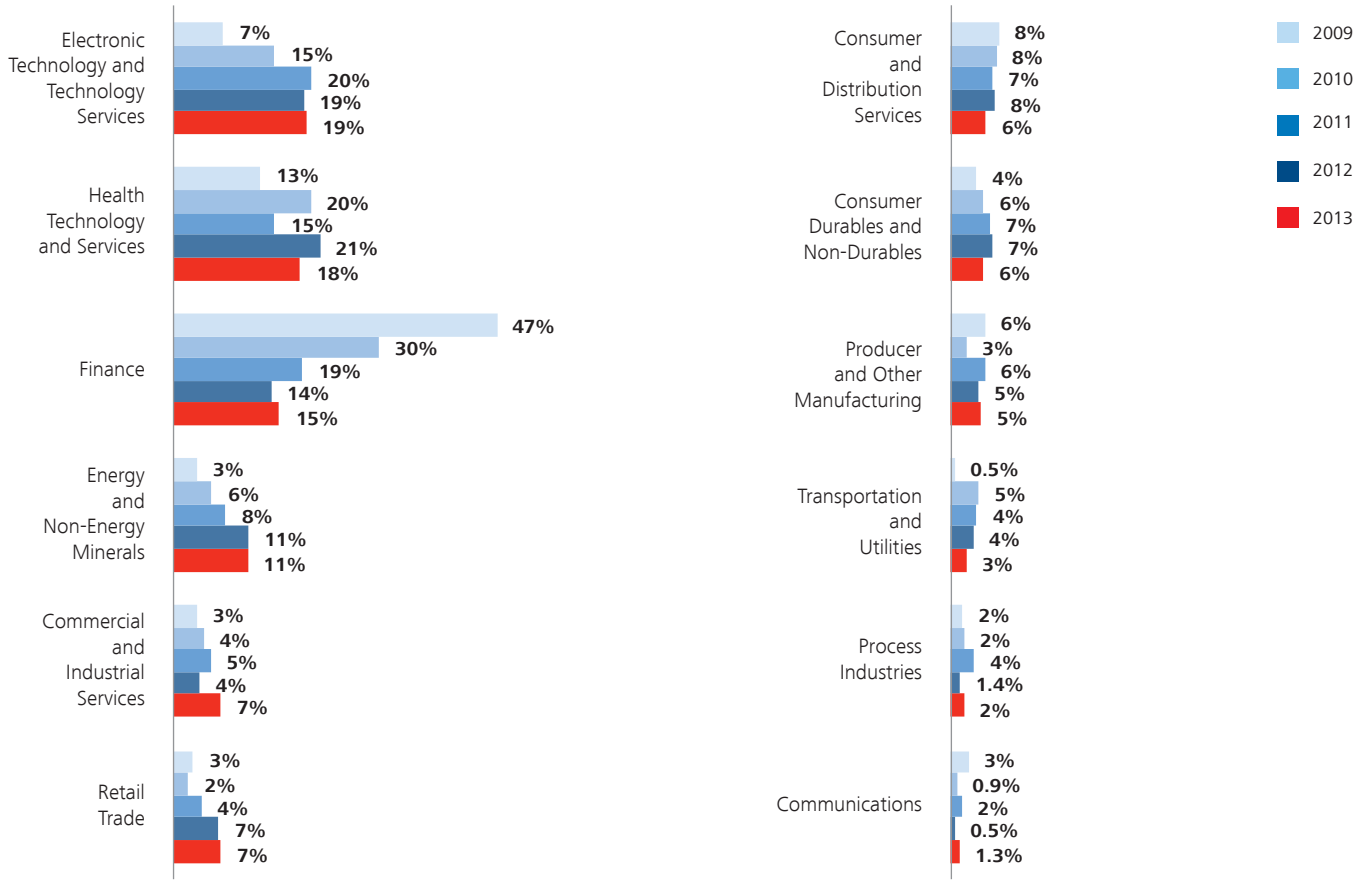
Figure 11. **Federal Filings by Circuit and Year**
January 2009 – December 2013



Filings by Sector

The electronic technology and services, health technology and services, and finance sectors taken together continued to account for more than half of the primary defendants. In 2013, these sectors represented, respectively, 19%, 18%, and 15% of the filings' targets. See Figure 12. In 2008, due to the credit crisis, filings against primary defendants in the financial sector accounted for 49% of filings (not shown). From that 2008 peak, the share of filings accounted for by the financial sector declined to 14% in 2012, with a barely perceptible rebound in 2013 to 15%.

Figure 12. **Percentage of Filings by Sector and Year**
January 2009 – December 2013

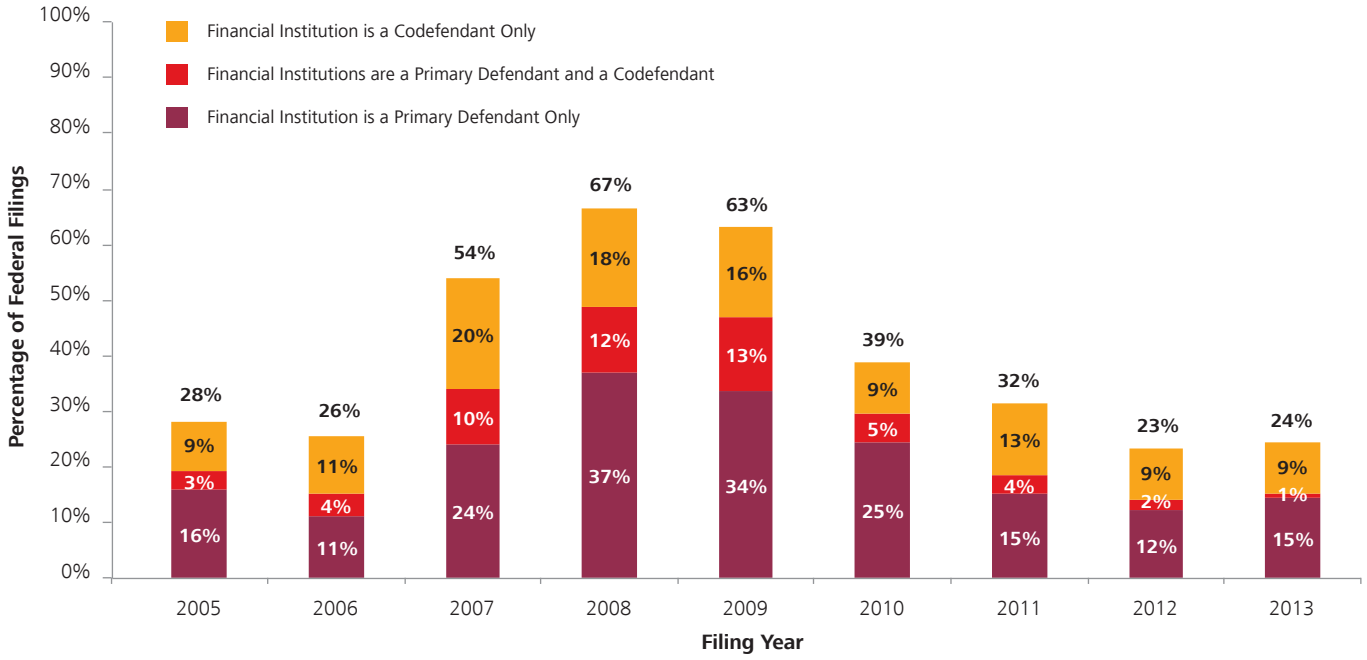


Note: This analysis is based on the FactSet Research Systems, Inc. economic sector classification. Some of the FactSet economic sectors are combined for presentation.

Companies in the financial sector are often also targeted as codefendants.

Figure 13 shows that 9% of filings in 2013 involved a financial institution as a codefendant, but not a primary defendant. The overall pattern of filings against financial institutions as a share of total filings is similar whether financial codefendants are included in the calculation or not: the share peaked with the credit crisis and has been declining since, with a barely perceptible rebound in 2013 to 24%.[6]

Figure 13. **Federal Cases in which Financial Institutions Are Named Defendants**
January 2005 – December 2013



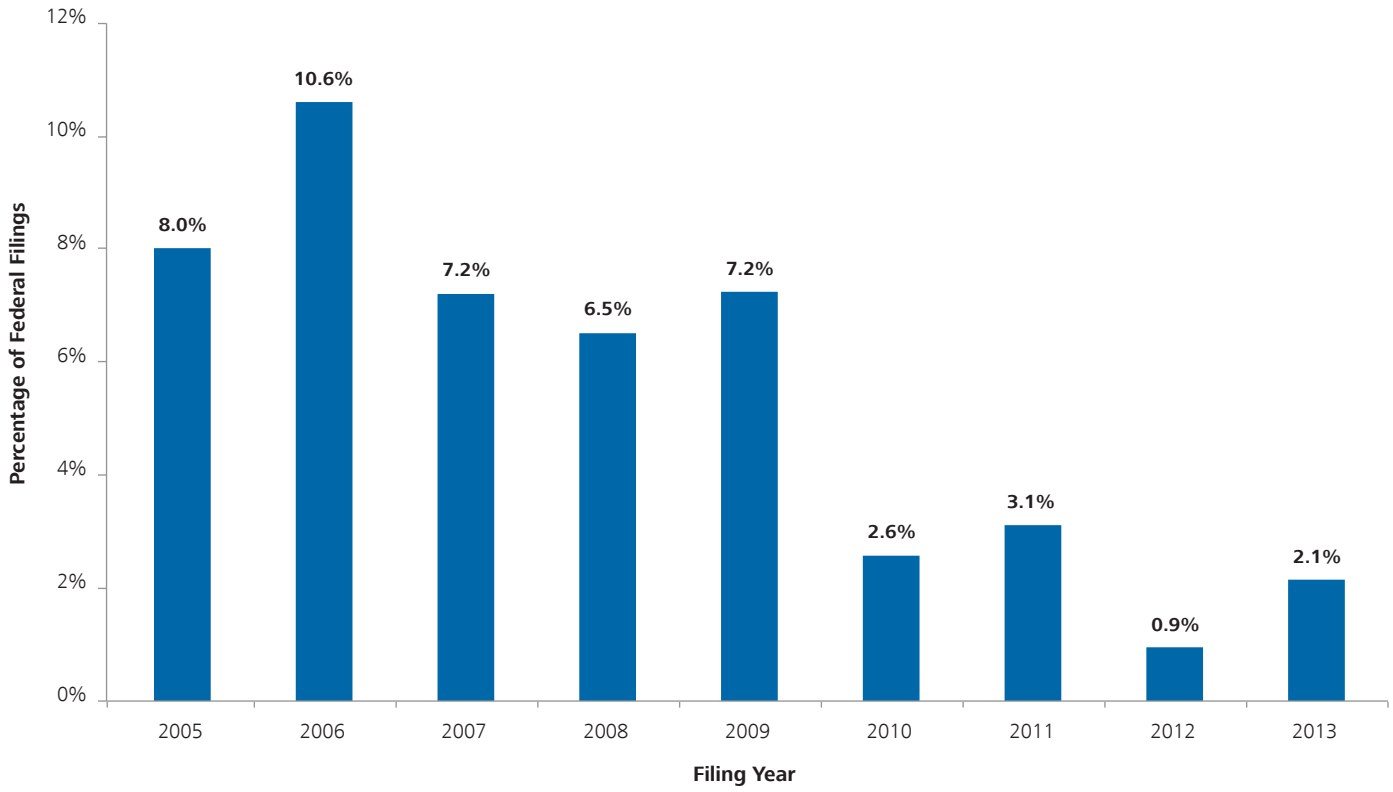
Note: Analysis presented in this chart uses codefendant data we code at the filing stage.

Accounting codefendants

Only 2.1% of federal securities class actions filed in 2013 included an accounting codefendant in the initial filing. This level represented a slight uptick from the previous year but it was still a much lower level than the one experienced in the 2005-2009 period, when on average 7.7% of cases named accounting codefendants. See Figure 14.[7]

As noted in prior publications, this trend might be the result of changes in the legal environment. The Supreme Court's *Janus* decision in 2011 restricted the ability of plaintiffs to sue parties not directly responsible for misstatements, and, as a result, auditors may only be liable for statements made in their audit opinion. This decision, along with the Court's *Stoneridge* decision in 2008 that limited scheme liability, may have made accounting firms unappealing targets for securities class action litigation.

Figure 14. **Percentage of Federal Filings in which an Accounting Firm is a Codefendant**
January 2005 – December 2013

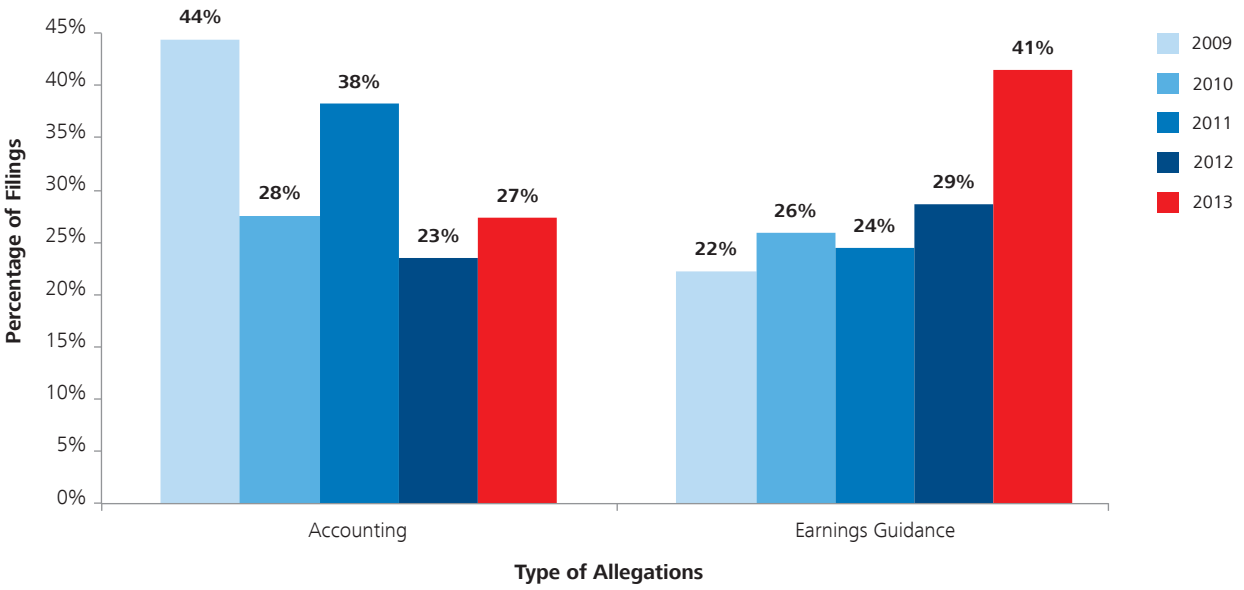


Note: Analysis presented in this chart uses codefendant data at the filing stage.

Allegations

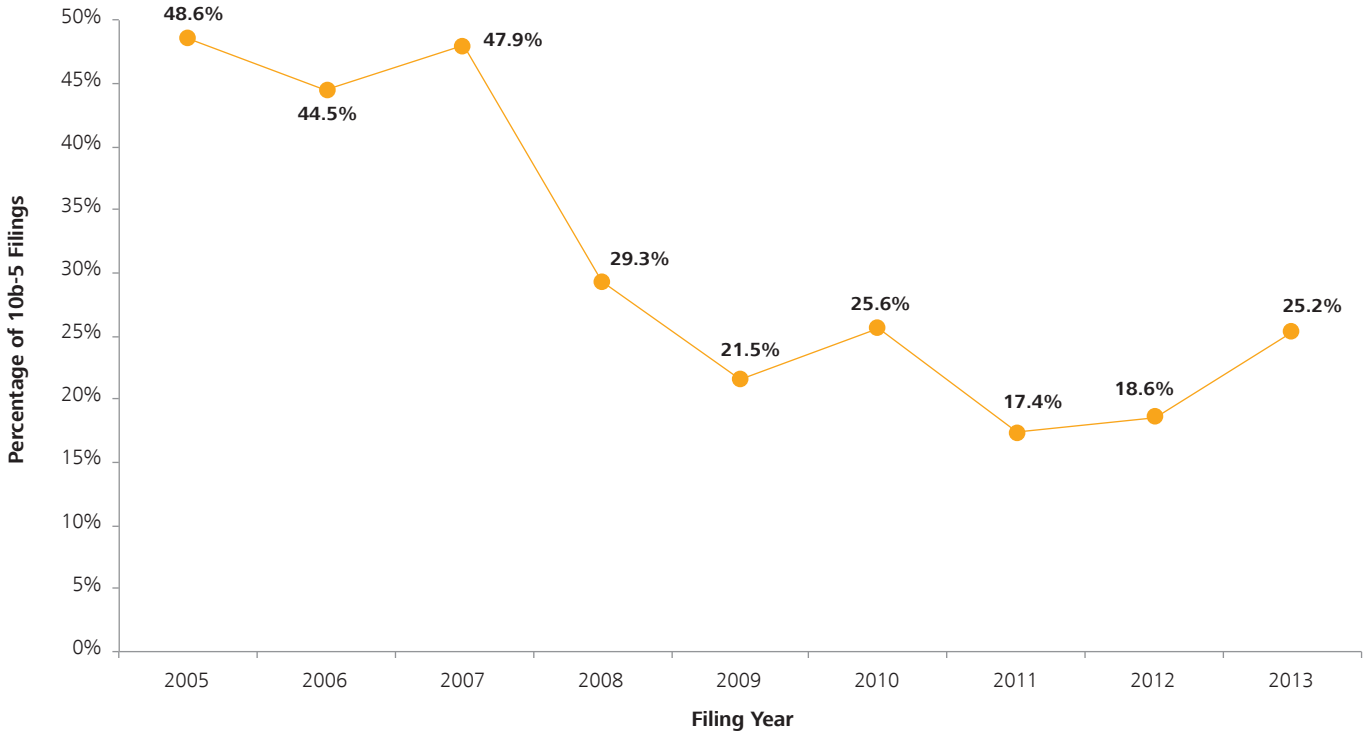
Allegations involving misleading earnings guidance were up sharply in 2013, representing 41% of complaints, compared to 29% in 2012. More than a quarter of filings included accounting allegations – more than in the previous year, but less than the 44% observed in 2009.[8] See Figure 15. The decline in accounting allegations may be related to the reduction in cases with accounting codefendants.

Figure 15. **Allegations in Federal Filings**
January 2009 – December 2013



The percentage of class actions with Rule 10b-5 allegations that also alleged insider sales had been on a sharply decreasing trend between 2005 and 2011, dropping from 48.6% to 17.4%. This trend started to reverse in 2012, and in 2013 insider sales allegations were included in a quarter of all 10b-5 class actions. See Figure 16.

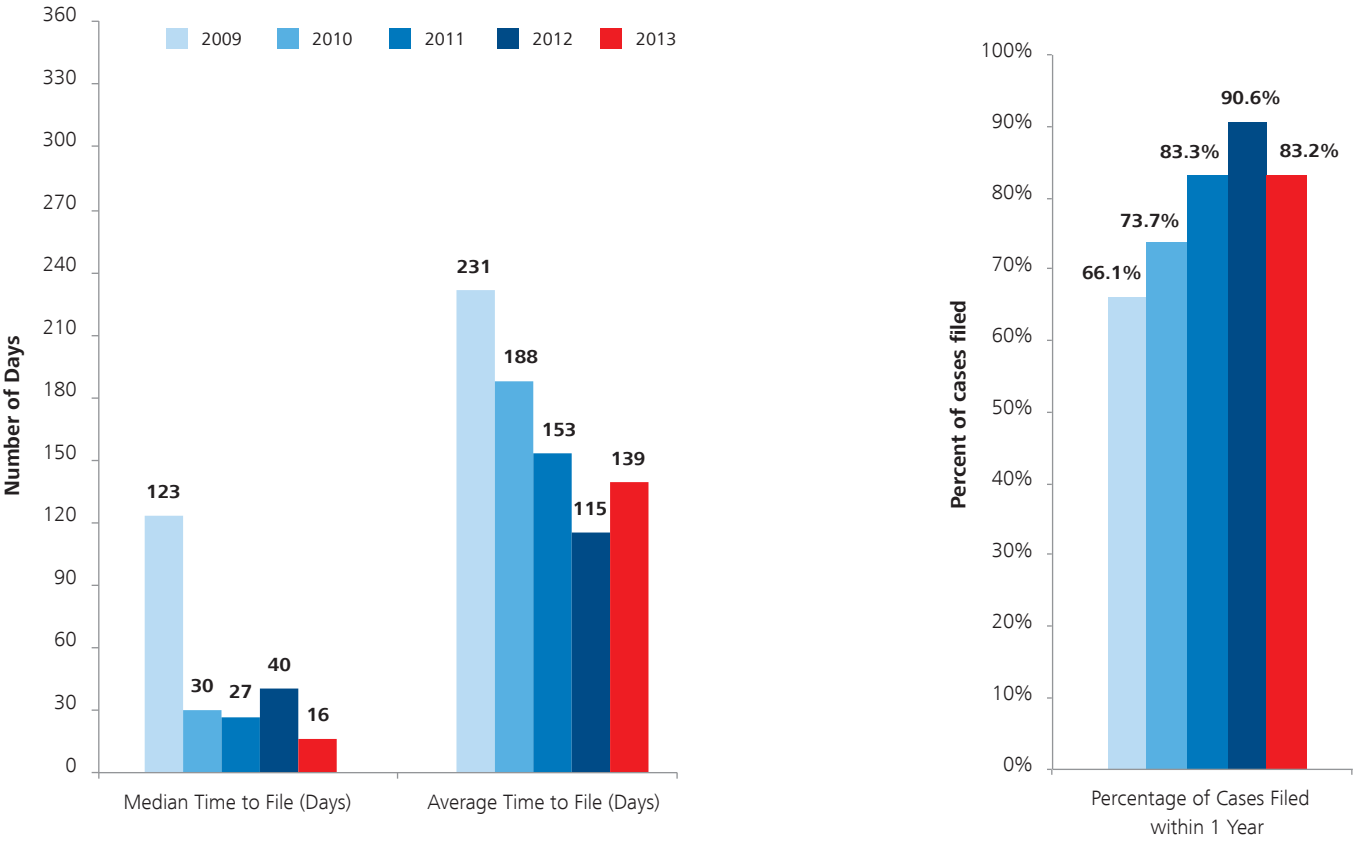
Figure 16. **Percentage of Rule 10b-5 Filings Alleging Insider Sales**
By Filing Year; January 2005 – December 2013



Time to File

Half of the class actions filed in 2013 were filed within 16 days from the end of the alleged class period, a marked acceleration compared to the 40 days it took to file half of the class actions in 2012. This acceleration, though, did not involve all filings: the mean time to file increased to 139 days from 115. In other words, fast class actions got faster and slow class actions got slower. See Figure 17.

Figure 17. **Time to File from End of Alleged Class Period to File Date for Rule 10b-5 Cases**
January 2009 – December 2013



Note: This analysis excludes cases where alleged class period could not be unambiguously determined.

Analysis of Motions

Starting last year, NERA has added a section on motions to this publication series.[9] Motion outcomes are of interest to many because they affect the likelihood with which a case will settle and the settlement amount. NERA research has confirmed that a statistically robust relationship exists between motion outcomes and settlement outcomes. Yet, we caution the reader that these relationships are complex (partly because of the strategic decisions litigants make about the litigation stage in which to settle) and that, to estimate the impact of the motion outcome on the predicted settlement of a specific case, one needs to go beyond the simple charts published in this paper and use a statistical model such as the proprietary NERA model.

NERA collects and analyzes data on three types of motions: motion to dismiss, motion for class certification, and motion for summary judgment. In this edition of this report, we show only the information pertaining to the first two types.

Unless otherwise specified, the statistics in this section refer to cases filed and resolved in the 2000-2013 period.

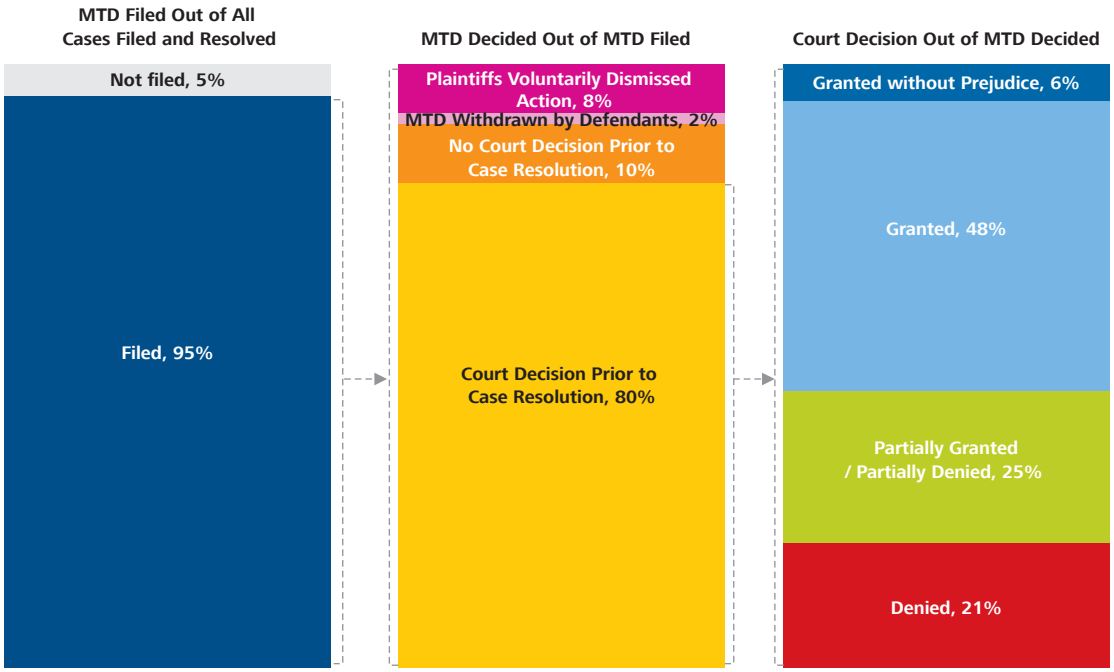
Motion to Dismiss

A motion to dismiss was filed in 95% of cases. However, the court reached a decision on only 80% of the motions filed. In the remaining 20% of cases in which a motion to dismiss was filed by defendants, the case resolved before a decision was taken, or plaintiffs voluntarily dismissed the action, or the motion to dismiss itself was withdrawn by defendants. See Figure 18. (We have made a methodological change since the last edition of this report: we have now stopped including among the cases in which the decision was reached prior to case resolution those cases in which plaintiffs voluntarily dismiss the action and cases in which defendants voluntarily withdraw the motion to dismiss.)

Out of the motions to dismiss for which a court decision was reached, the following three outcomes account for the vast majority of the decisions: granted (48%),[10] granted in part and denied in part (25%), and denied (21%). See Figure 18.

Note that for settled cases, we record the status of any motions at the time of settlement. For example, if a case has a motion to dismiss granted but then denied on appeal, followed immediately by settlement, we would record the motion as denied.[11]

Figure 18. **Filing and Resolutions of Motions to Dismiss**
Cases Filed and Resolved January 2000 – December 2013



Note: Includes cases in which a violation of any of Rule 10b-5, Section 11, Section 12 is alleged and in which common stock is part of the class.

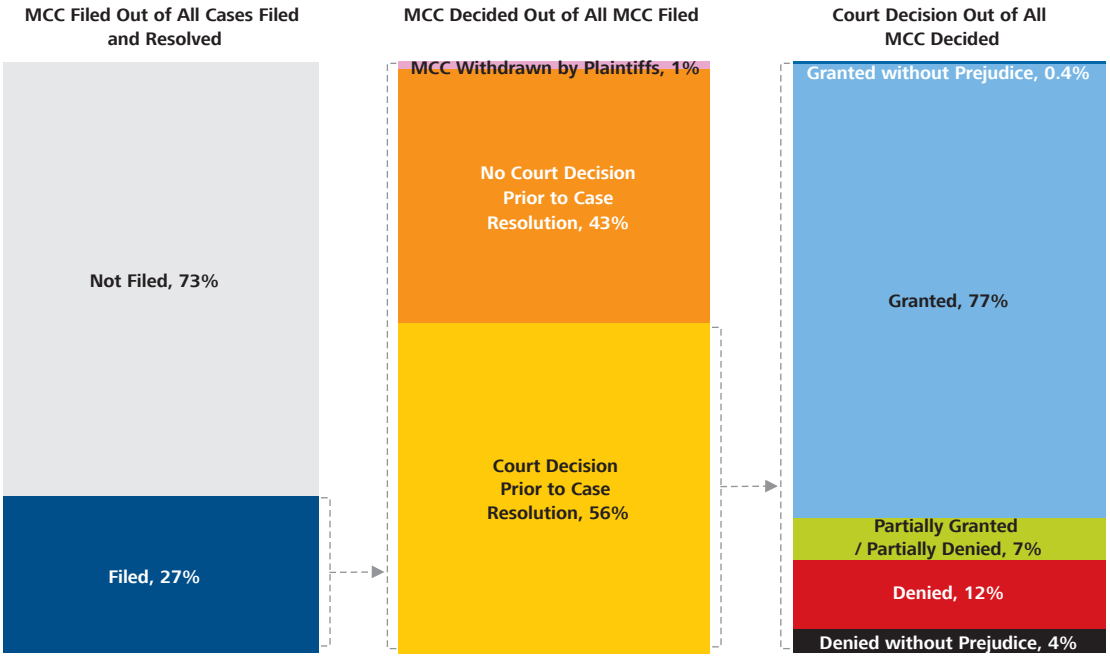
Motion for Class Certification

Most cases were settled or dismissed before a motion for class certification was filed: 73% of cases fell into this category. The court reached a decision in only in 56% of the cases where a motion for class certification was filed. So, overall, only 15% of the securities class actions filed (or 56% of the 27% of cases for which a motion for class certification was filed) reached a decision on the motion for class certification. See Figure 19. (We have made a parallel methodological changed for our categorization of outcomes of motion for class certification as we have done for motion to dismiss: currently, we have stopped including cases in which the motion for class certification was voluntarily withdrawn by plaintiffs among the cases in which a decision was reached prior to case resolution.)

Our data show that 77% of the motions for class certification that were decided were granted. See Figure 19 for more details.

Both the 2011 Supreme Court decision in *Halliburton* and the February 2013 Supreme Court decision in *Amgen* are likely to have an impact on the statistics presented here. Please keep in mind that the vast majority of the court decisions at motion for class certification stage included in these statistics precede these two Supreme Court decisions. Moreover, the expected 2014 Supreme Court *Halliburton* decision also has the potential of changing the likely outcomes of future decisions on motion for class certification.

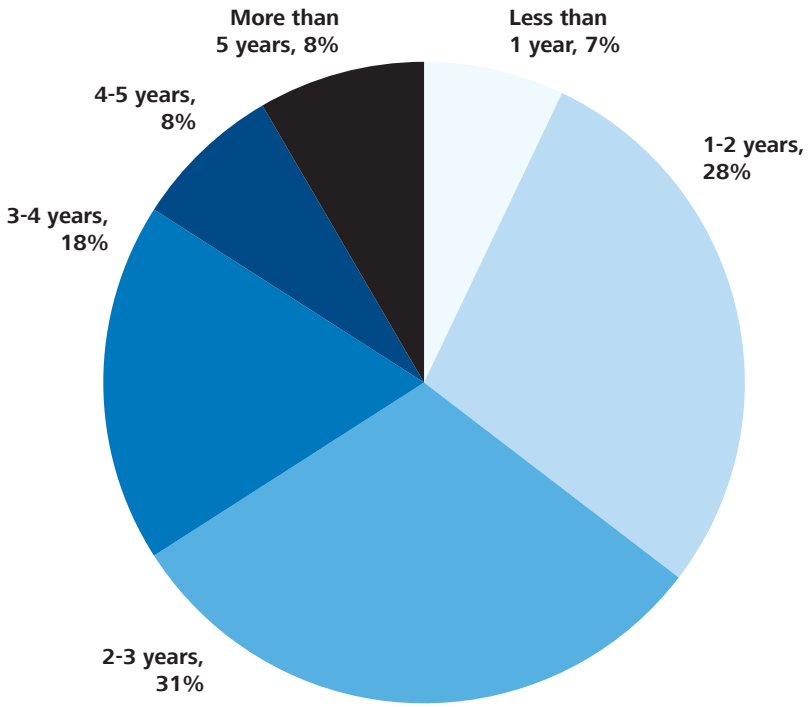
Figure 19. **Filing and Resolutions of Motions for Class Certification**
Cases Filed and Resolved January 2000 – December 2013



Note: Includes cases in which a violation of any of Rule 10b-5, Section 11, Section 12 is alleged and in which common stock is part of the class.

Approximately 66% of the decisions on motions for class certification that were reached were reached within three years from the original filing date of the complaint. See Figure 20. The median time is about 2.4 years.

Figure 20. **Time From First Complaint Filing to Class Certification Decision**
Cases Filed and Resolved January 2000 – December 2013



Trends in Case Resolutions

Number of Cases Settled or Dismissed

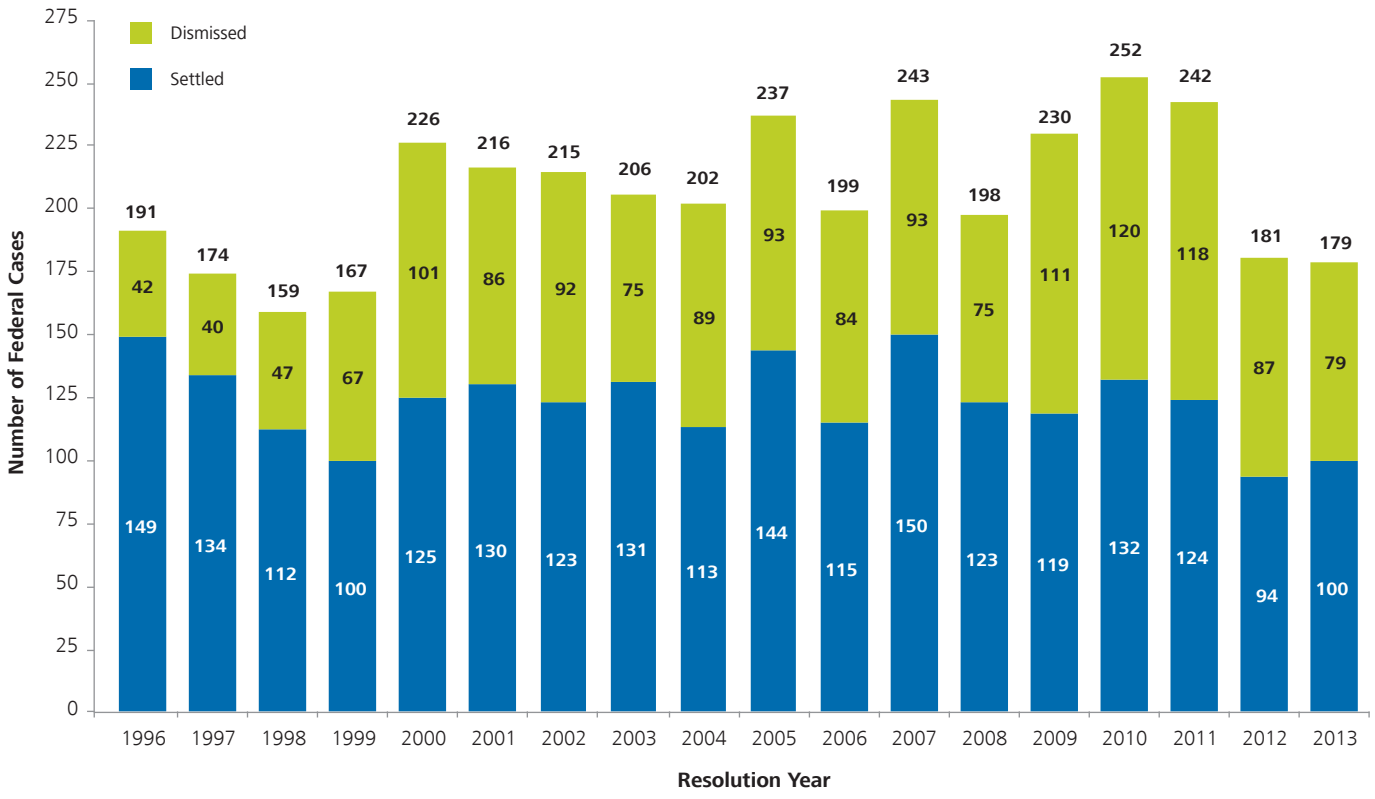
Only 100 securities class actions settled in 2013, a level very close to the record low of the previous year. In 2012, 94 settlements were reached, the lowest level since at least 1996, after the passage of the PSLRA.[12] In contrast, the average number of settlements in the period 1996-2011 was 127 per year. See Figure 21.

The number of securities class actions dismissed in 2013 appears to be relatively low compared to recent experience.[13] At least 79 securities class actions were dismissed.[14]

Consequently, resolved cases, which combine settlements, dismissals and verdicts appear to be relatively few compared to historical norm.

Last year, we wondered whether the pace of resolutions would pick up after the then-awaited Supreme Court decision in *Amgen*. But just about six months after *Amgen* was decided, a second writ of *certiorari* was filed in the *Halliburton* case, *certiorari* that was then granted in November 2013. So we now wonder whether the pace of resolution will pick up after the Supreme Court reaches its second decision on *Halliburton* sometime in 2014. We do note, though, that in the roughly six months between the *Amgen* decision and the filing of *Halliburton's* second writ, 51 securities class actions alleging violation of Rule 10b-5 settled, which is 14% less than the 59 settled during the average six-month period in the 2005-2012 period.[15]

Figure 21. **Number of Resolved Cases: Dismissed or Settled**
January 1996 – December 2013



Note: Analysis excludes IPO laddering cases. Dismissals may include dismissals without prejudice and dismissals under appeal.

In the filings section of this paper, we showed 10b-5 monthly filings surrounding the first Supreme Court decision in *Halliburton* and the *Amgen* decision. In this section, we show equivalent charts for the monthly number of settlements of 10b-5 class actions. See Figure 22. Again, we also show figures specific to the 5th and the 2nd Circuits. See Figures 23 and 24, respectively.[16] Again we caution that over the time period depicted here, there were factors additional to the Supreme Court decisions affecting the level of settlement activity.

Figure 22. **Monthly 10b-5 Settlements – All Circuits**
January 2007 – December 2013

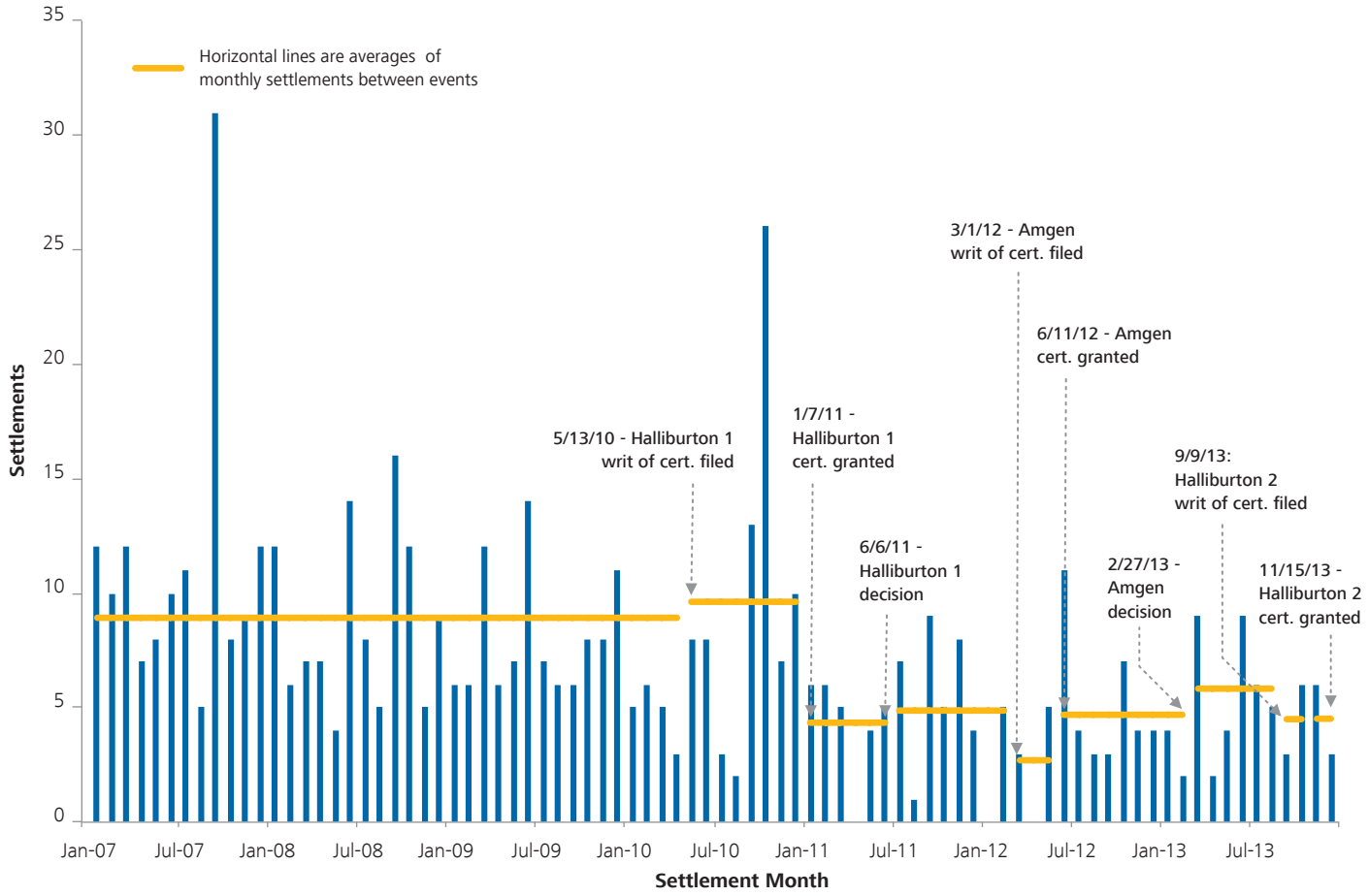


Figure 23. **Monthly 10b-5 Settlements – Fifth Circuit**
January 2007 – December 2013

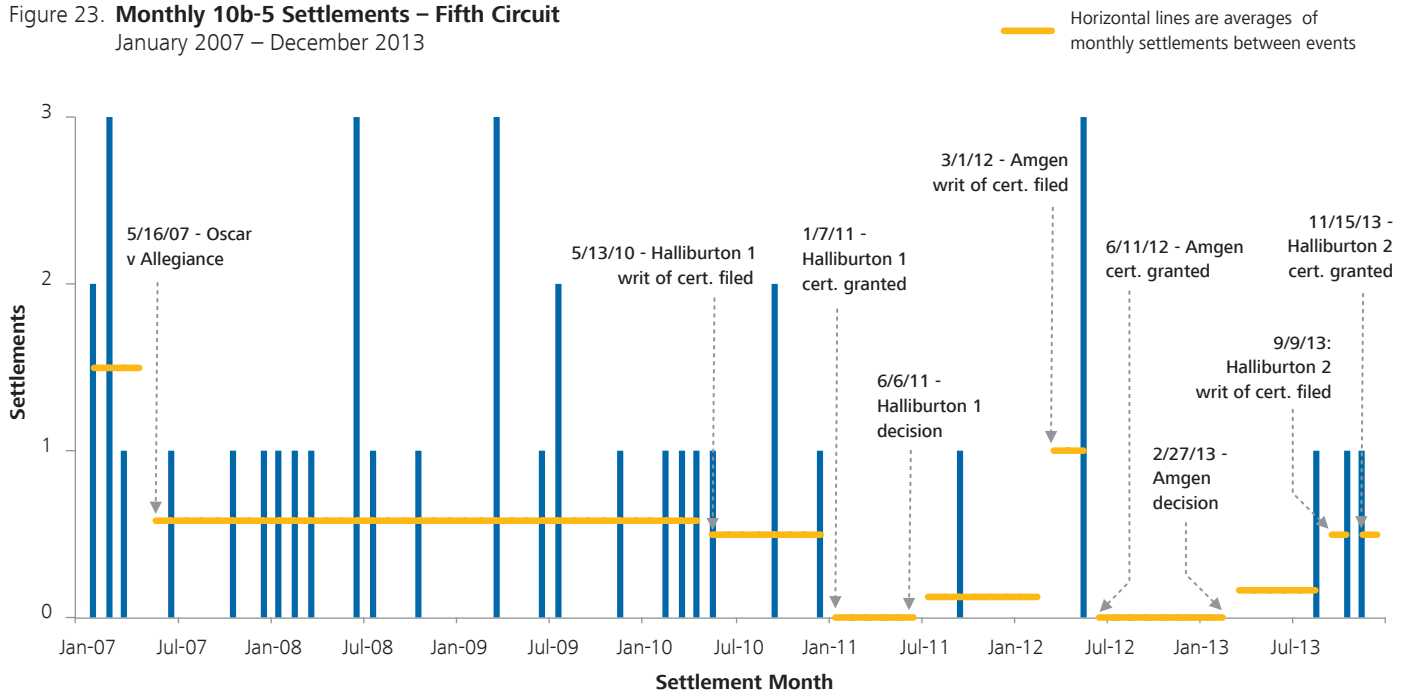
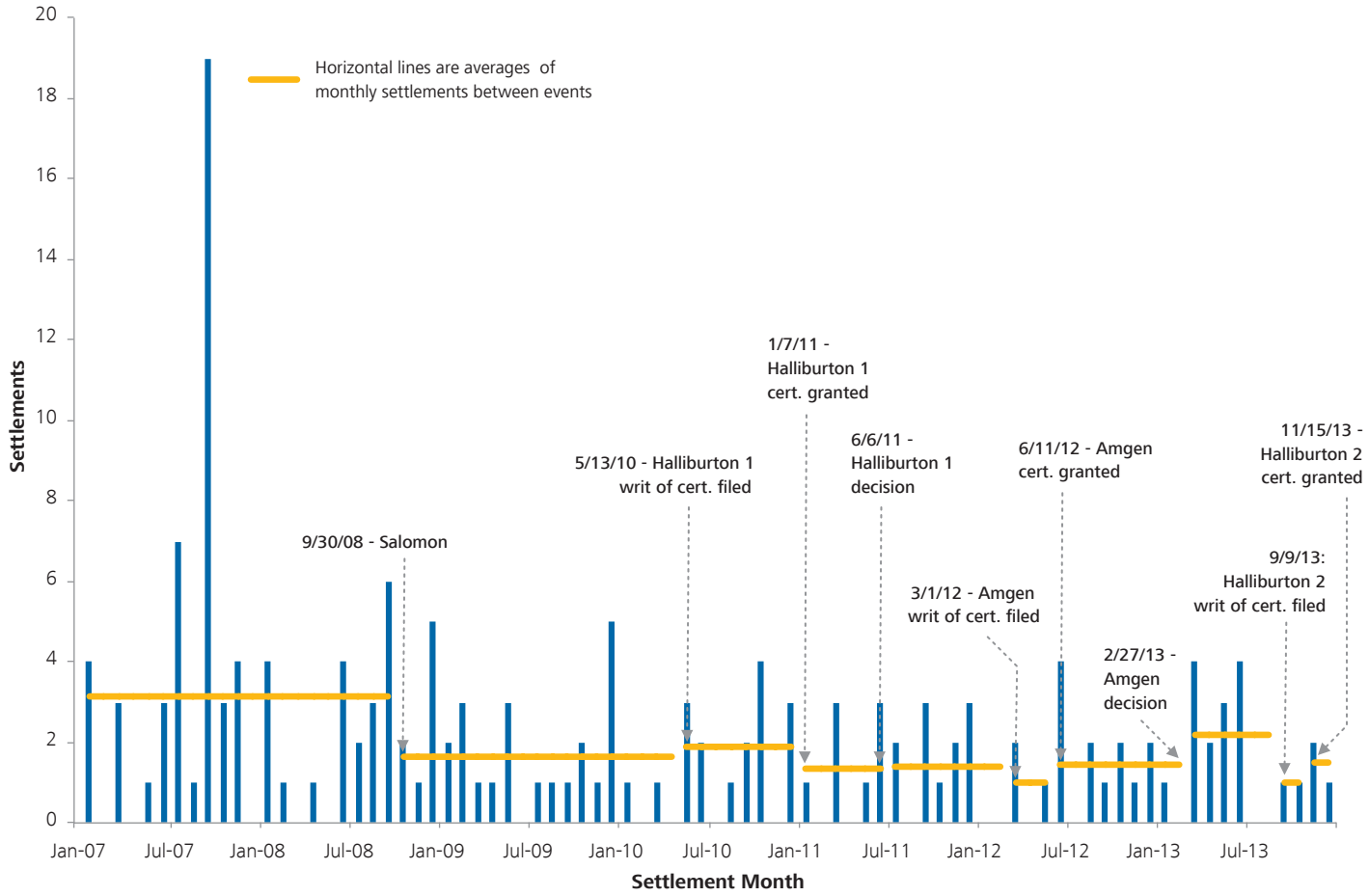


Figure 24. **Monthly 10b-5 Settlements – Second Circuit**
January 2007 – December 2013



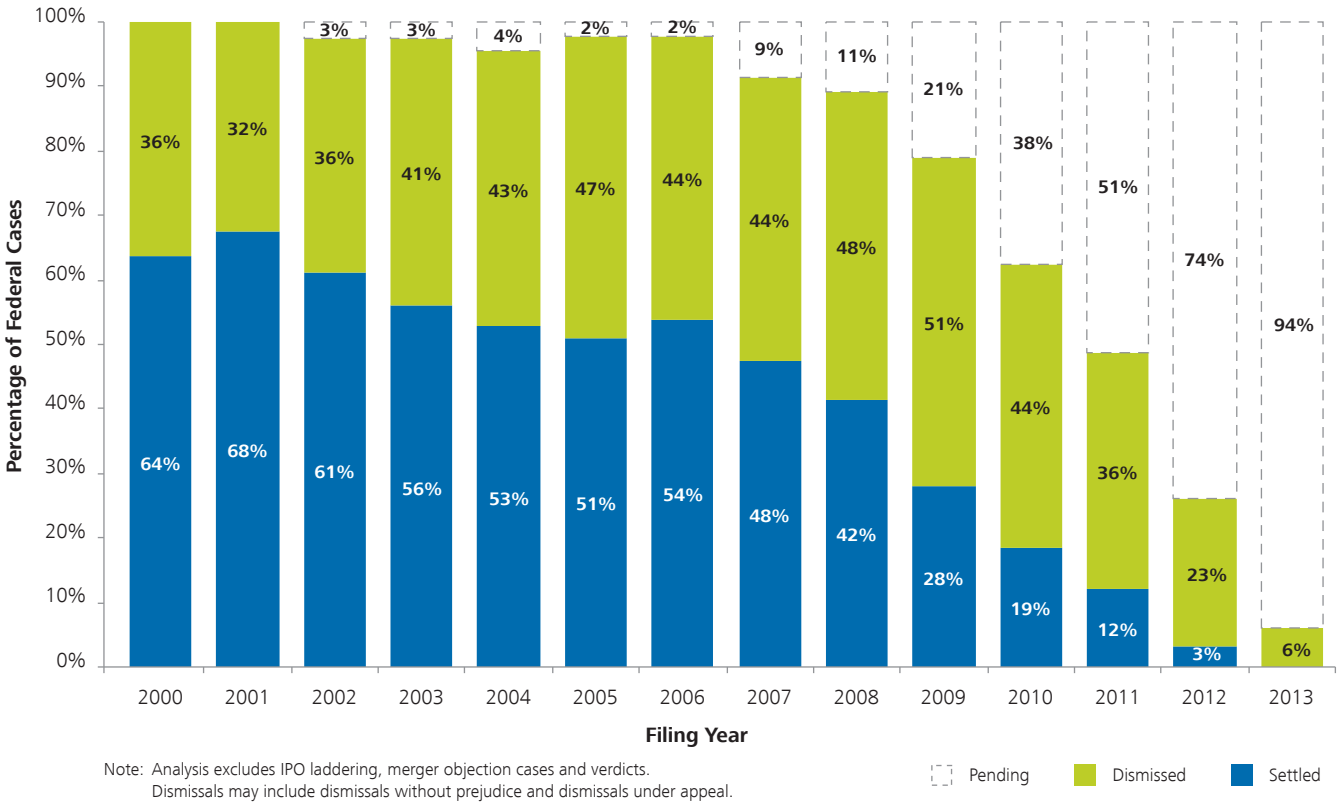
Dismissal Rates

Dismissal rates have been on a rising trend since 2000, but two opposing factors—the large fraction of cases awaiting resolution among those filed in recent years and the possibility that recent dismissals will be successfully appealed or re-filed—make it difficult to draw a conclusion with respect to recent years, barring further analysis.

Dismissal rates have increased from 32%-36% for cases filed in 2000-2002 to 43%-47% for cases filed in 2004-2006. Remembering the caveat above, dismissal rates appear to have continued to increase, given that 44%-51% of cases filed in 2007-2009 have been dismissed. For cases filed since 2010, it may be too early to tell.

Figure 25 shows the dismissal rate by filing cohort. It is calculated as the fraction of cases ultimately dismissed out of all cases filed in a given year.[17]

Figure 25. **Status of Cases as Percentage of Federal Filings by Filing Year**
January 2000 – December 2013



Note: Analysis excludes IPO laddering, merger objection cases and verdicts.
Dismissals may include dismissals without prejudice and dismissals under appeal.

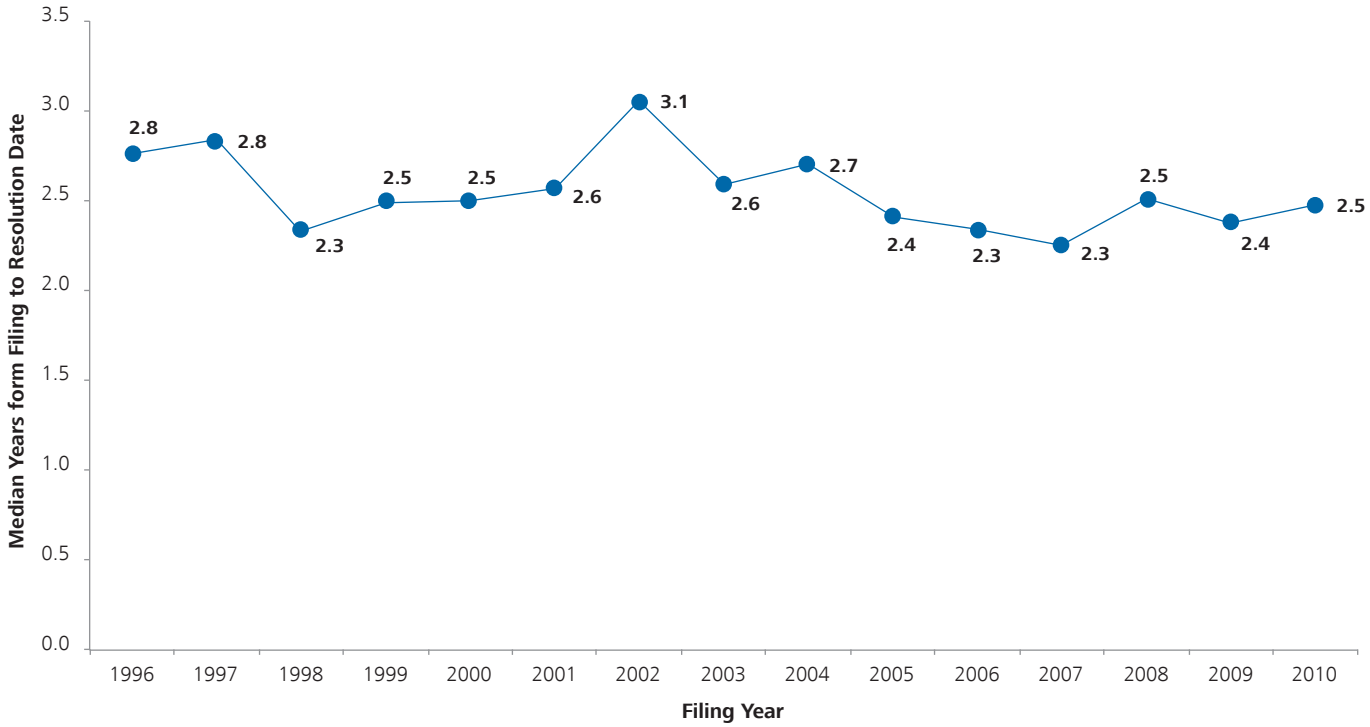
Time to Resolution

We use the expression "time to resolution" to indicate the time between filing of the first complaint and resolution (whether settlement or dismissal). After grouping cases by filing year, we show the time it takes for 50% of cases each year to resolve, i.e. the median time to resolution. We exclude IPO laddering cases and merger objection cases from our computations because the former took much longer to resolve and the latter usually much shorter.

Median time to resolution varied between 2.3 and 3.1 years in the period 1996-2010, but was remarkably stable in the sub-period 2005-2010, varying between 2.3 and 2.5 years.

Time to resolutions for 75% of the cases filed in any year between 1996 and 2009 has varied between 3.4 and 4.9 years.

Figure 26. **Median Years from Filing of Complaint to Resolution of the Case**
Cases Filed January 1996 - December 2010 and Resolved January 1996 – December 2013



Note: Resolutions exclude IPO laddering and merger objection cases.
At present, more than 50% of cases are pending in the period 2011-2013; hence, the latest year for which median time to resolution can be computed is 2010.

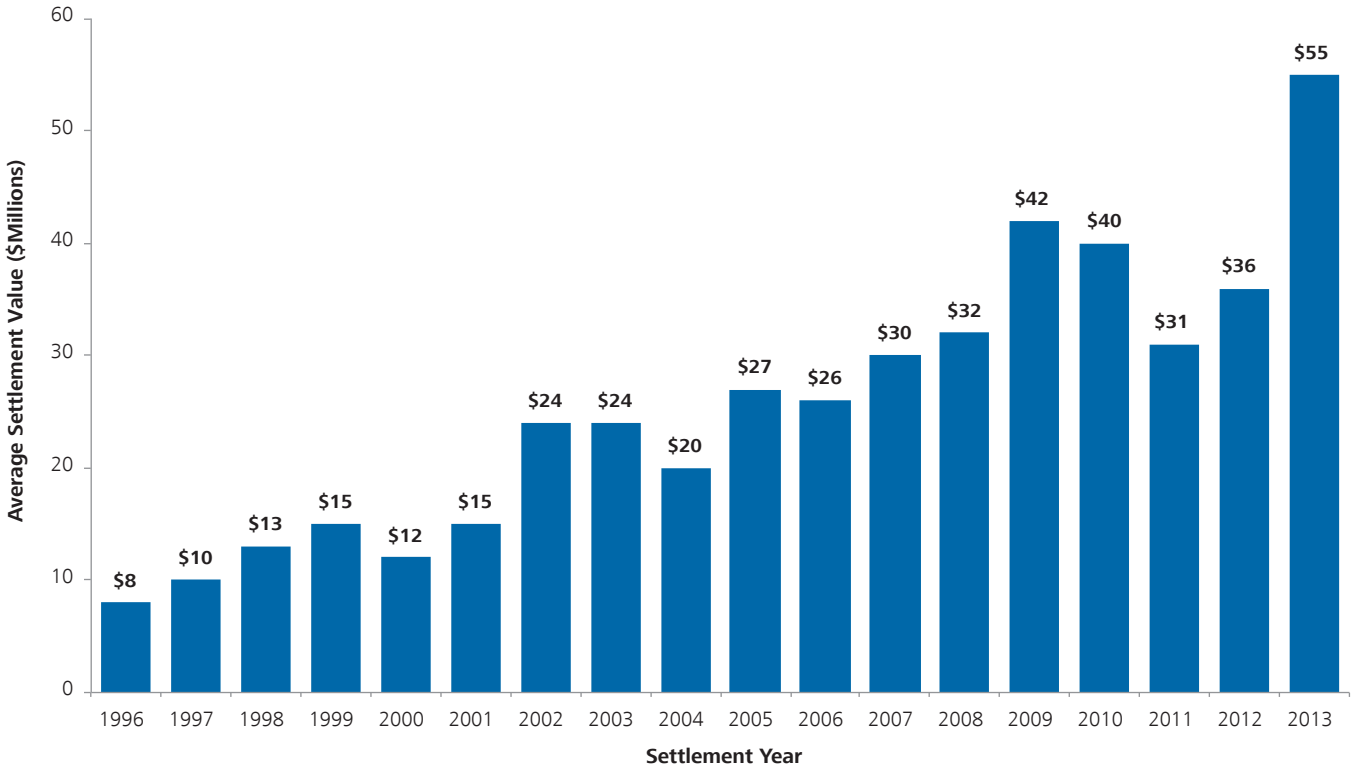
Trends in Settlements

Settlement Amounts

The average settlement amount in 2013 broke prior records, reaching $55 million, an increase of 53% over the previous year and 31% over the previous high in 2009. See Figure 27. This average calculation excludes settlements above $1 billion, settlements in IPO laddering cases and settlements in merger objection cases, since the inclusion of any of these may obscure trends in more usual cases.

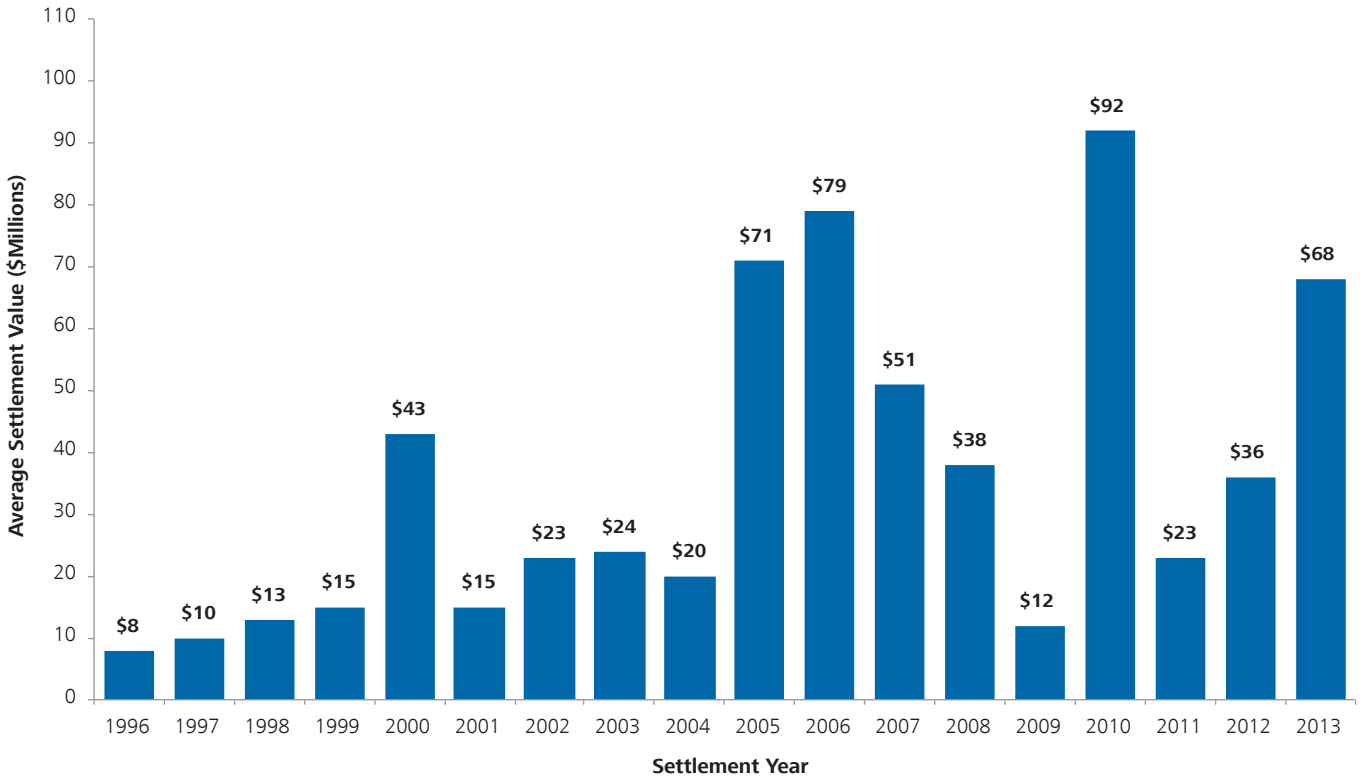
These record high average settlement amounts were driven by eight very large settlements (although not so large as to be excluded by our $1 billion cut off). Yet, this year's record average settlement does not imply that cases have generally become more expensive to settle. Reality is much more nuanced than that, as we will show when we discuss median settlement amount and the distribution of settlement values below in Figures 29 and 30.

Figure 27. **Average Settlement Value ($Million), Excluding Settlements over $1 Billion, IPO Laddering, and Merger Objection Cases**
January 1996 – December 2013



For completeness, Figure 28 shows average settlements if all cases are included. The 2013 average settlement across all federal securities class actions was $68 million. This average is even higher than the one discussed above because of the inclusion of the $2.4 billion mega settlement of Bank of America Merrill Lynch. That settlement was announced in 2012, but we followed our protocol of recording settlements as of the date of the approval hearing, which happened in 2013.

Figure 28. **Average Settlement Value ($Million), All Cases**
January 1996 – December 2013

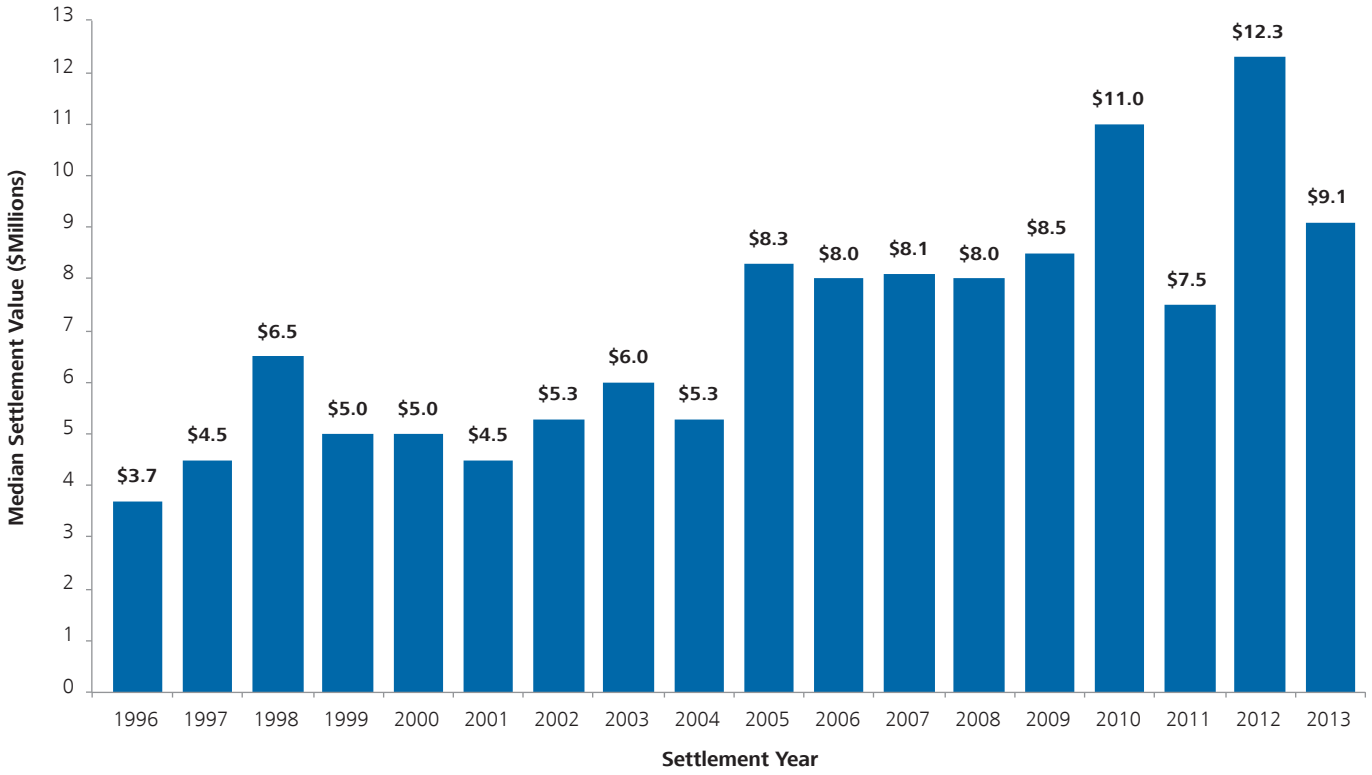


Notes: Excludes merger objection settlements with no payment to class.

The median settlement amount in 2013 was $9.1 million, a 26% decrease compared to the previous year. See Figure 29. Average and median settlements are two ways of looking at typical settlement values; the median settlement is the value that is larger than half of the settlement values in that year. Medians are more robust to extreme values than averages. As mentioned previously, this year's average and median reflect two different facets of settlement activity: a few large settlements drove the average up, while many small settlements drove the median down; hence the title for this paper "Large settlements get larger; small settlements get smaller."

The figure below also depicts an increasing trend in median settlement amounts between 1996 and 2013: from $3.7 million in 1996 to $9.1 million in 2013, a 146% increase. Naturally, part of this increase is due to inflation.

Figure 29. **Median Settlement Value ($Million)**
January 1996 – December 2013

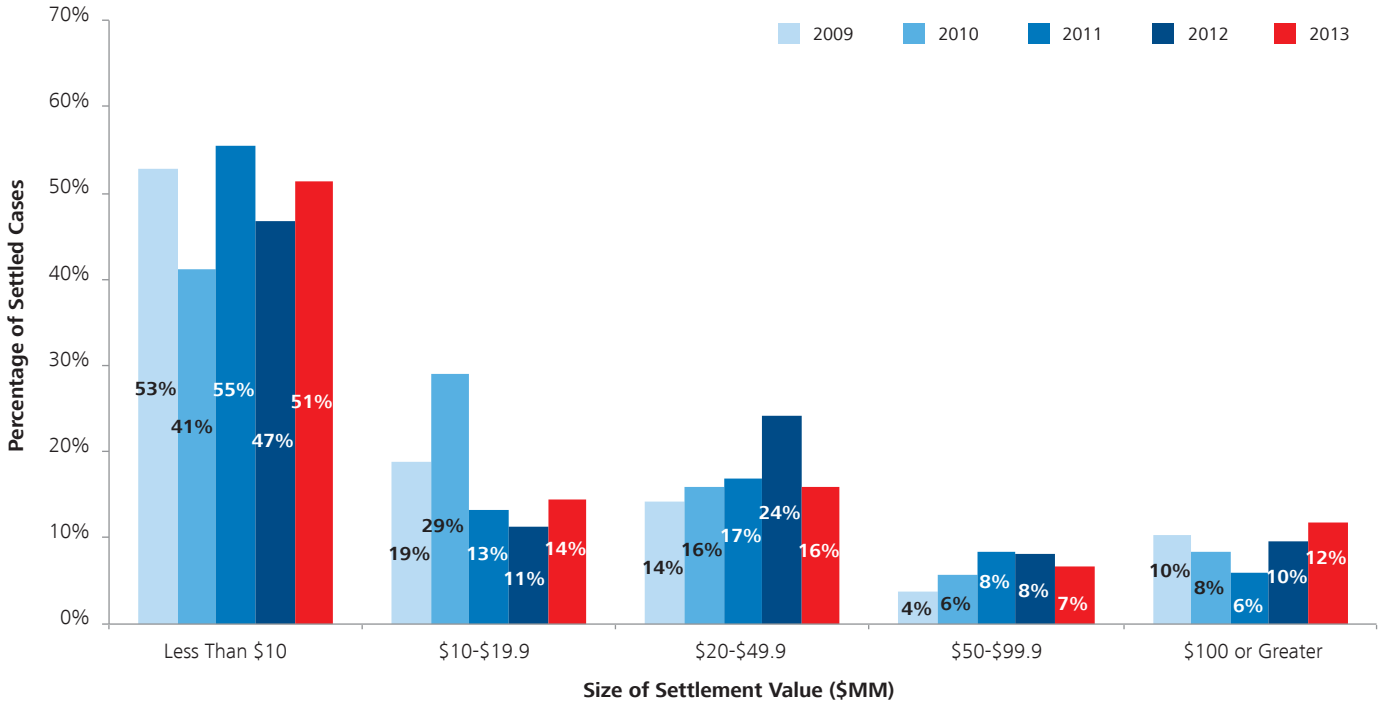


Notes: Settlements exclude IPO laddering and merger objection cases.

The distribution of settlements depicted in Figure 30 below illustrates the different facets of the 2013 settlement activity alluded to above. Specifically, by grouping settlement amounts by size, we see an increase in the fraction of settlements smaller than $10 million, which represents 51% of settlements. We also see a slight increase in the fraction of settlements larger than $100 million, which represents 12% of the settlements.

Note that Figure 30 excludes settlements of IPO laddering cases, which would change the 2009 distribution altogether, as well as settlements in merger objection cases.

Figure 30. **Distribution of Settlement Values**
January 2009 – December 2013



Note: Settlements exclude IPO laddering and merger objection cases.

The 10 largest settlements of securities class actions of all time are shown in Table 1. The newest addition to the list is the $2.43 billion Bank of America settlement associated with the acquisition of Merrill Lynch. It was announced in 2012 and approved in 2013. It is the sixth-largest federal securities class action settlement ever.

Table 1. **Top 10 Securities Class Action Settlements (As of December 31, 2013)**

Ranking	Case Name	Settlement Years	Total Settlement Value ($MM)	Financial Institutions	Accounting Firms	Plaintiffs' Attorneys' Fees and Expenses
				Value ($MM)	Value ($MM)	Value ($MM)
1	ENRON Corp.	2003-2010	$7,242	$6,903	$73	$798
2	WorldCom, Inc.	2004-2005	$6,196	$6,004	$103	$530
3	Cendant Corp.	2000	$3,692	$342	$467	$324
4	Tyco International, Ltd.	2007	$3,200	No codefendant	$225	$493
5	In re AOL Time Warner Inc.	2006	$2,650	No codefendant	$100	$151
6	Bank of America Corp.	2013	$2,425	No codefendant	No codefendant	$177
7	Nortel Networks (I)	2006	$1,143	No codefendant	$0	$94
8	Royal Ahold, NV	2006	$1,100	$0	$0	$170
9	Nortel Networks (II)	2006	$1,074	No codefendant	$0	$89
10	McKesson HBOC, Inc.	2006-2008	$1,043	$10	$73	$88
	Total		**$29,764**	**$13,259**	**$1,040**	**$2,913**

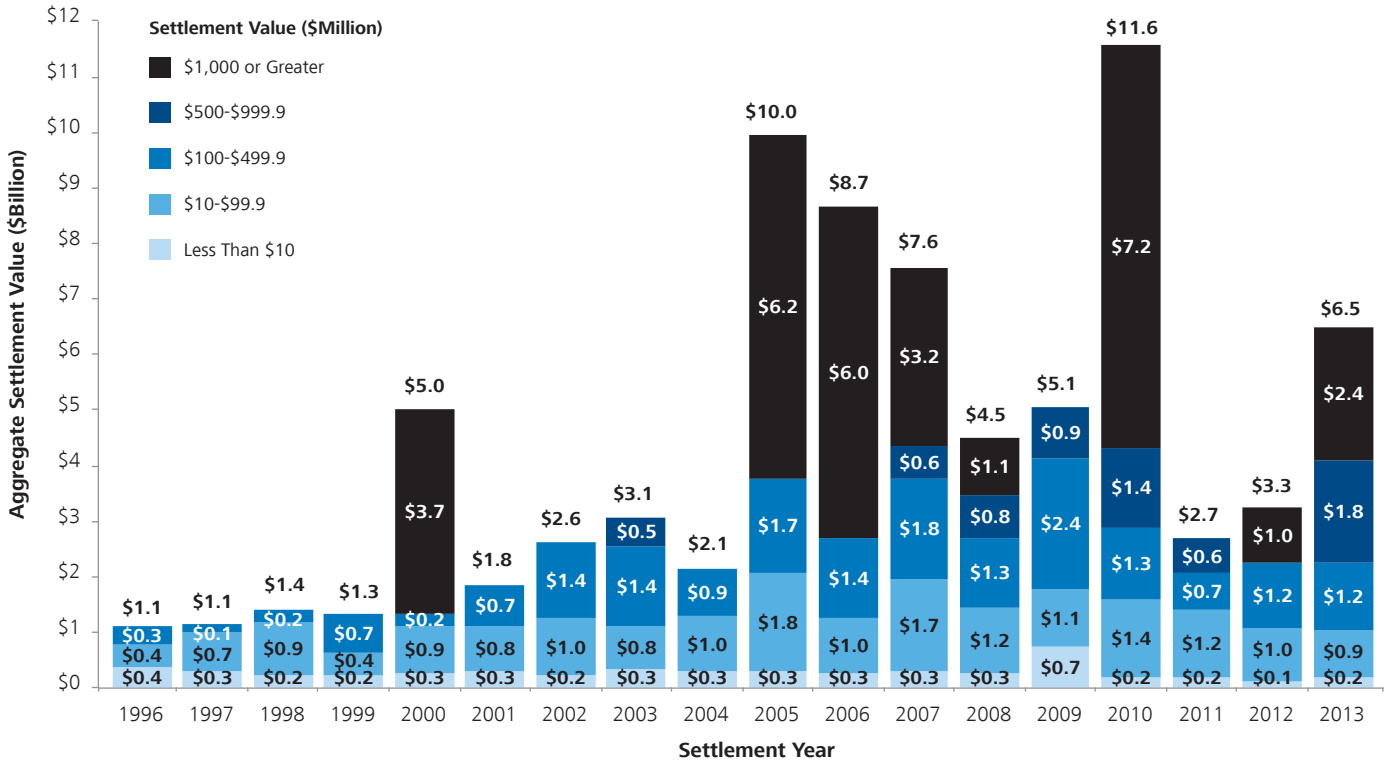
Aggregate Settlements

The total dollar value of all settlements in 2013 exceeded $6.5 billion, almost twice as much as the previous year. See Figure 31. More than $2.4 billion is represented by the BofA Merrill settlement that, as noted, we record according to our usual protocol as of the date of judicial approval.

Even excluding the BofA Merrill settlement, the aggregate settlement amount for 2013 was substantially higher than the previous year. It is worth noting again that the number of settlements in 2013 remained essentially the same.

Figure 31 also illustrates that much of the large fluctuations in aggregate settlements over the years has been driven by settlements over $1 billion, while relatively small settlements, those under $10 million, account for a very small fraction of aggregate settlements despite often accounting for about half of the number of settlements reached in a given year.

Figure 31. **Aggregate Settlement Value by Settlement Size**
January 1996 – December 2013



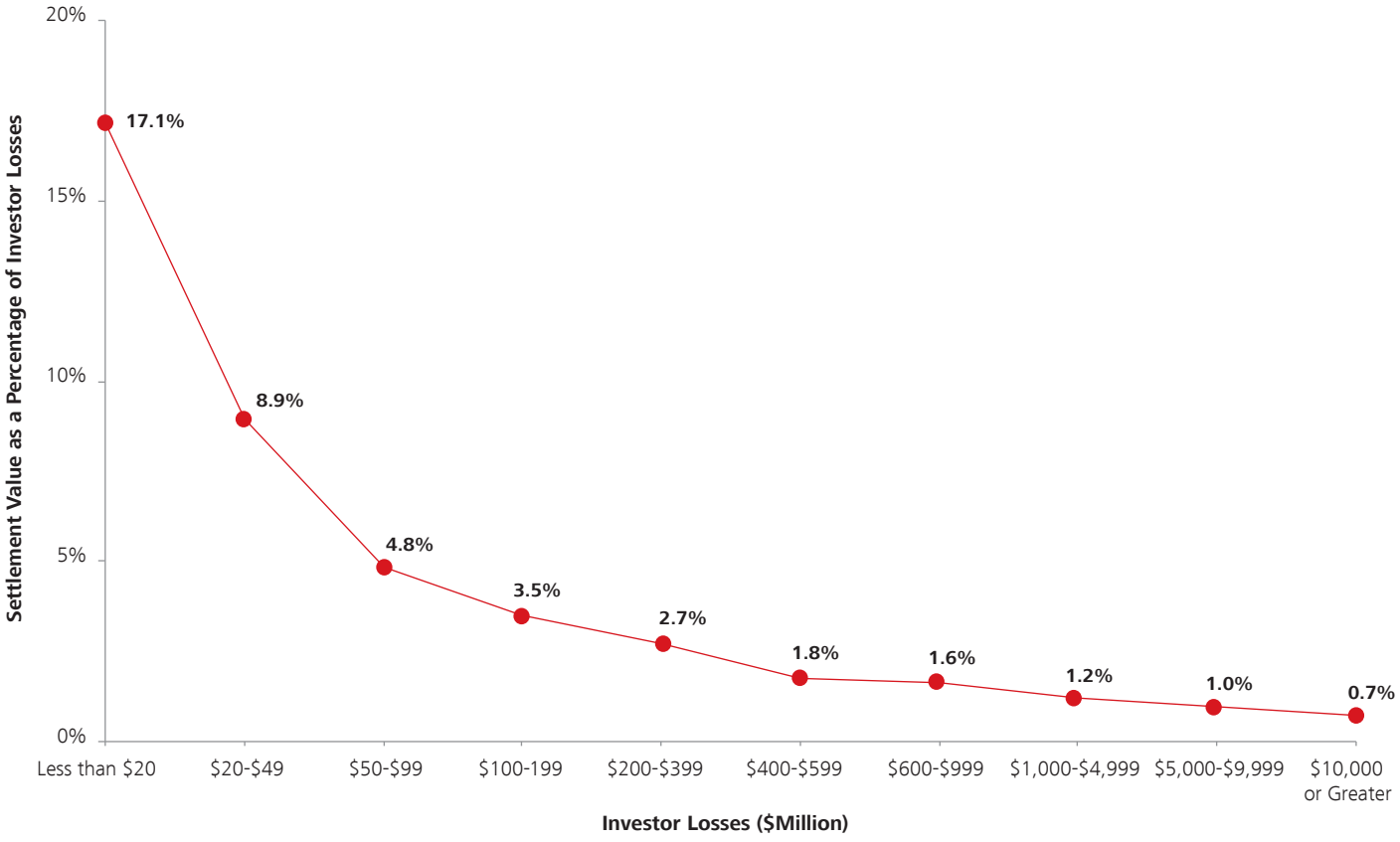
Investor Losses versus Settlements

As noted above, our investor losses measure is a proxy for the aggregate amount that investors lost from buying the defendant's stock rather than investing in the broader market during the alleged class period.

In general, settlement sizes grow as investor losses grow, but the relationship is not linear. Settlement size grows less than proportionately with investor losses, based on analysis of data from 1996 to 2013. Small cases typically settle for a higher fraction of investor losses (i.e., more cents on the dollar) than larger cases. For example, the median settlement for cases with investor losses of less than $20 million has been 17.1% of the investor losses, while the median settlement for cases with investor losses over $1 billion has been 0.7% of the investor losses. See Figure 32.

Our findings on the ratio of settlement to investor losses should not be interpreted as the share of damages recovered in settlement, but rather as the recovery compared to a rough measure of the "size" of the case.

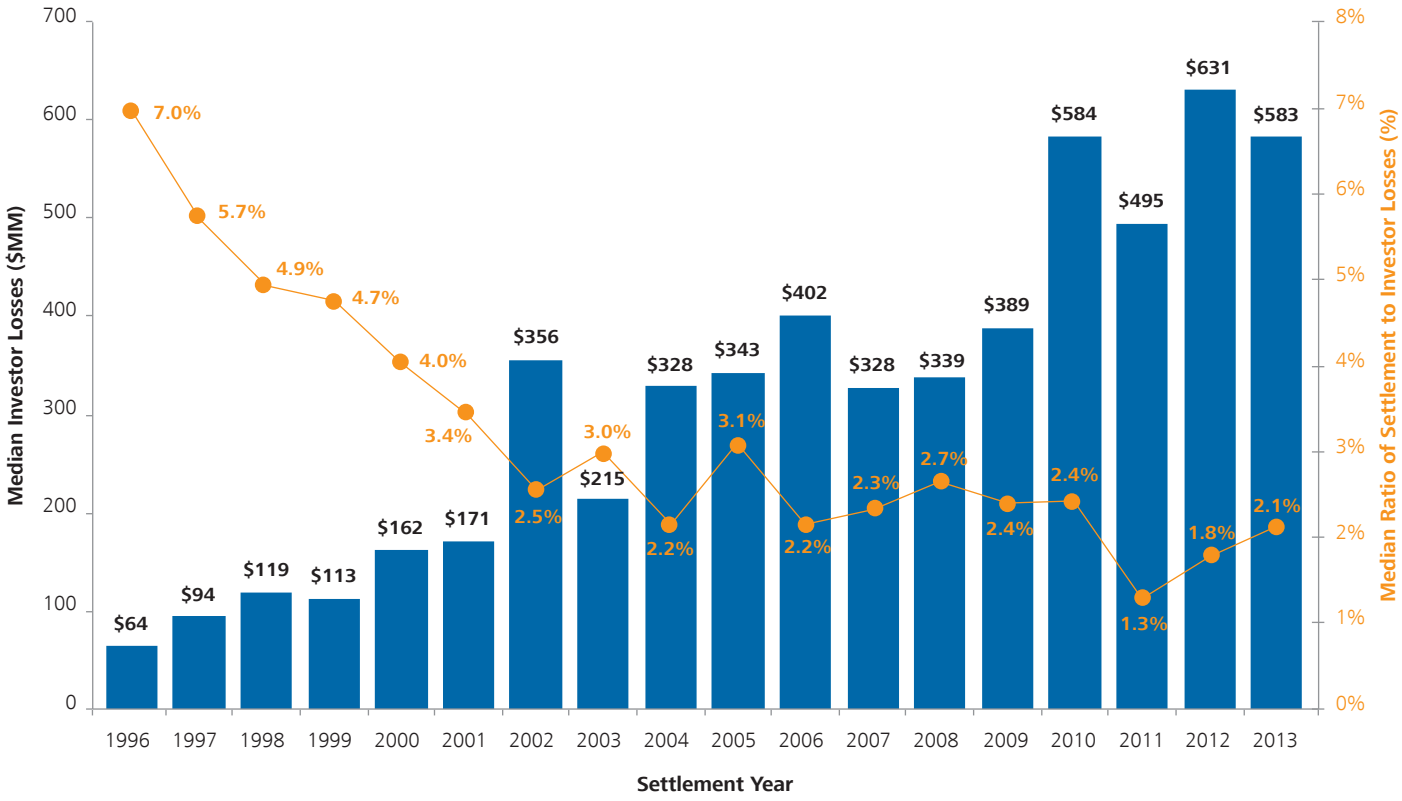
Figure 32. **Median of Settlement Value as a Percentage of Investor Losses**
By Level of Investor Losses; January 1996 – December 2013



Median investor losses for settled cases have been on an upward trend since the passage of the PSLRA. As just described, the median ratio of settlement to investor losses decreases as investor losses increase. Indeed, the increase in median investor losses over time has translated to a decrease of the median ratio of settlement to investor losses.

Focusing specifically on the change from 2012 to 2013, median investor losses for settled cases decreased by 7.6% in 2013, meaning that, according to this measure of case "size," cases settled in 2013 were smaller than cases settled in 2012. The median ratio of settlements to investor losses increased between 2012 and 2013 to 2.1%. This change has the expected direction given the relationship just described between the two quantities. See Figure 33.

Figure 33. **Median Investor Losses and Median Ratio of Settlement to Investor Losses**
By Settlement Year; January 1996 – December 2013



Note: Settlements exclude IPO laddering and merger objection cases.

Plaintiffs' Attorneys' Fees and Expenses

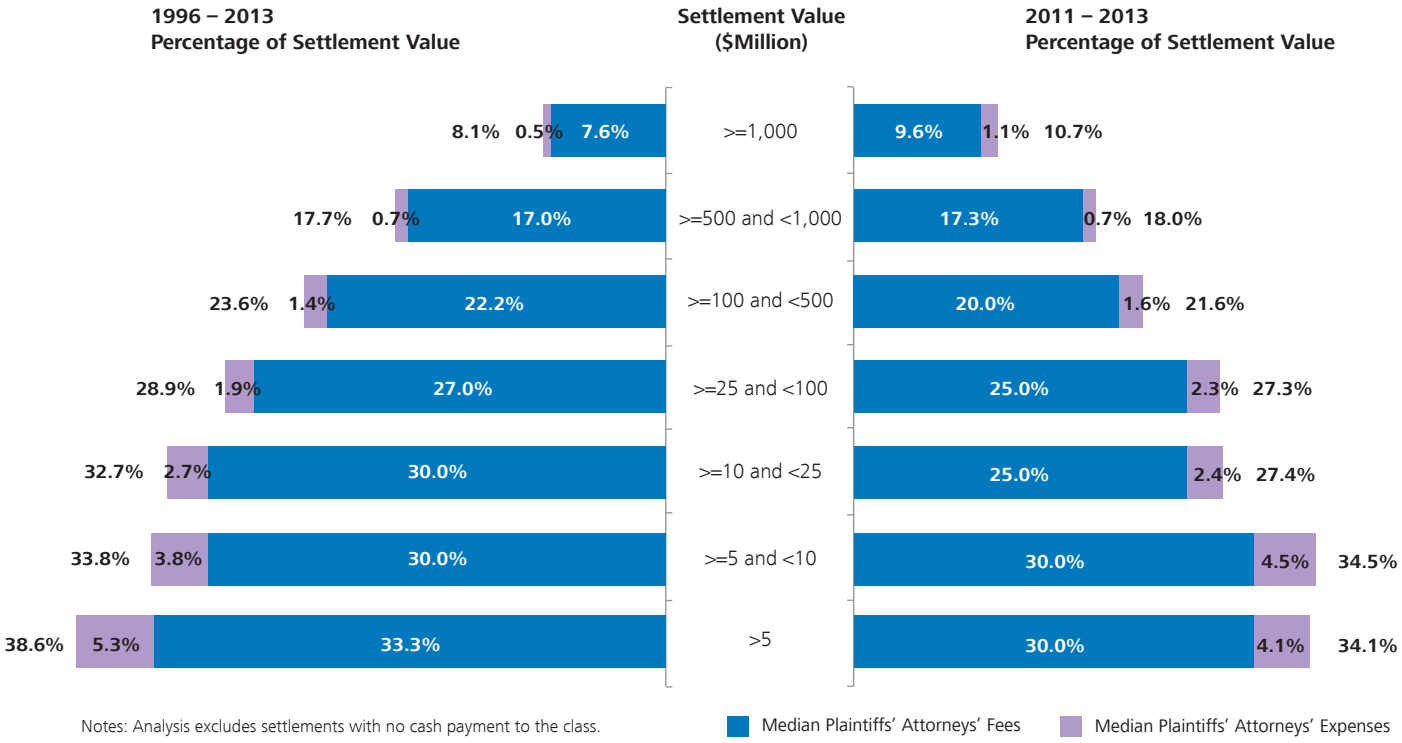
Usually, plaintiffs' attorneys' remuneration is awarded as a fraction of any settlement amount in the forms of fees, plus expenses. Figure 34 depicts plaintiffs' attorneys' fees and expenses as a proportion of settlement values.[18] The data shown in this Figure exclude settlements without cash payment to the class, almost all of which are merger objections.

In Figure 34, we illustrate two patterns: 1) Typically, fees grow with settlement size but less than proportionally, i.e., the percentage of fees shrinks as the settlement size grows. 2) Broadly speaking, fees have been decreasing over time.

First, to illustrate that percentage fees typically shrink as settlement size grows, we subdivided settlements by settlement value and report median percentage fees and expenses for each value group. Focusing on 2011-2013, we see that for settlements below $5 million, median fees represented 30% of the settlement; these percentages fall with settlement size, reaching 9.6% in fees for settlements above $1 billion.

To illustrate that, broadly speaking, fees have been decreasing over time, we report our findings both for the period 1996-2013 and for the sub-period 2011-2013. The comparison shows that percentage fees have decreased over time for settlements up to $500 million. For settlements between $500 million and $1 billion, percentage fees have increased slightly, while for settlements above $1 billion they have increased more markedly, although there are only two settlements in this last category in the 2011-2013 period.

Figure 34. **Median of Plaintiffs' Lawyers' Fees and Expenses, by Size of Settlement**

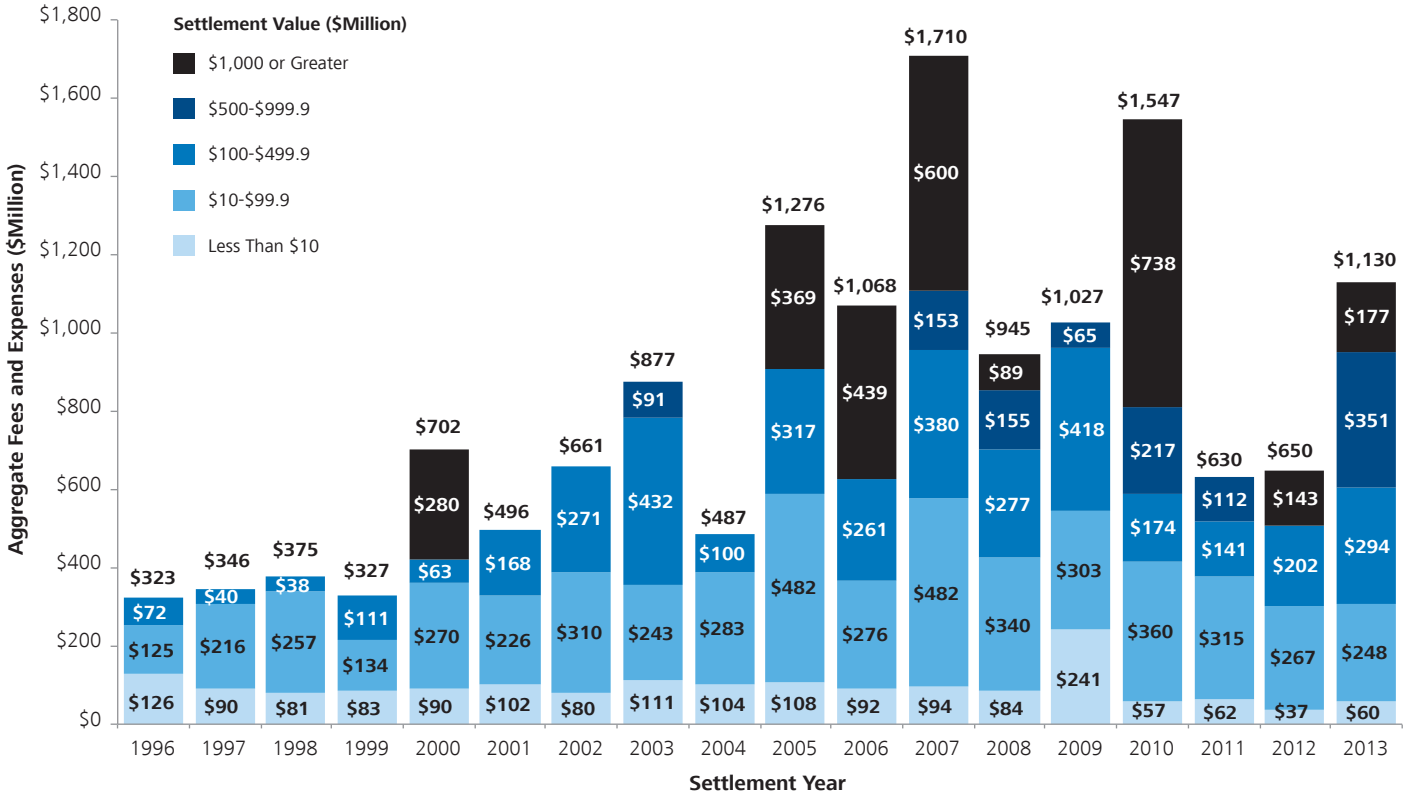


Notes: Analysis excludes settlements with no cash payment to the class.

Aggregate plaintiffs' attorneys' fees and expenses for all federal settlements were $1.1 billion in 2013, almost twice as much as the previous year. This doubling was brought about by just four cases that settled for more than $500 million, including the BofA Merrill case.

Although settlements of less than $10 million represented the majority of settlements in 2013, the aggregate plaintiffs' attorneys' fees and expenses for these settlements were only 5% of the total. See Figure 35. This finding is parallel to the finding, described above, that such cases made up a small fraction of total settlements.

Figure 35. **Aggregate Plaintiffs' Attorneys' Fees and Expenses by Settlement Size**
January 1996 – December 2013



Note: Analysis excludes settlements with no cash payment to the class. If only fees or only expenses are known, they are included in the aggregate.

Trials

Very few securities class actions reach the trial stage and even fewer reach a verdict. Indeed, there were no new trials in 2013, and Table 2 remains identical to the version included in the previous edition of this paper.

Of the 4,226 class actions filed since the PSLRA, only 20 have gone to trial and only 14 of them reached a verdict.

Table 2. **Post-PSLRA Securities Class Actions That Went to Trial**
As of December 31, 2013

					Appeal and Post-Trial Proceedings	
Case Name (1)	Federal Circuit (2)	File Year (3)	Trial Start Year (4)	Verdict (5)	Date of Last Decision (6)	Outcome (7)
Verdict or Judgment Reached						
In re Health Management, Inc. Securities Litigation	2	1996	1999	Verdict in favor of defendants	2000	Settled during appeal
Koppel, et al v. 4987 Corporation, et al	2	1996	2000	Verdict in favor of defendants	2002	Judgment of the District Court in favor of defendants was affirmed on appeal
In re JDS Uniphase Corporation Securities Litigation	9	2002	2007	Verdict in favor of defendants		
Joseph J Milkowski v. Thane Intl Inc, et al	9	2003	2005	Verdict in favor of defendants	2010	Judgment of the District Court in favor of defendants was affirmed on appeal
In re American Mutual Funds Fee Litigation	9	2004	2009	Judgment in favor of defendants	2011	Judgment of the District Court in favor of defendants was affirmed on appeal
Claghorn, et al v. EDSACO, Ltd., et al	9	1998	2002	Verdict in favor of plaintiffs	2002	Settled after verdict
In re Real Estate Associates Limited Partnership Litigation	9	1998	2002	Verdict in favor of plaintiffs	2003	Settled during appeal
In re Homestore.com, Inc. Securities Litigation	9	2001	2011	Verdict in favor of plaintiffs		
In re Apollo Group, Inc. Securities Litigation	9	2004	2007	Verdict in favor of plaintiffs	2012	Judgment of the District Court in favor of defendants was overturned and jury verdict reinstated on appeal; case settled thereafter
In re BankAtlantic Bancorp, Inc. Securities Litigation	11	2007	2010	Verdict in favor of plaintiffs	2012	Judgment of the District Court in favor of defendants was affirmed on appeal
In re Clarent Corporation Securities Litigation	9	2001	2005	Mixed verdict		
In re Vivendi Universal, S.A. Securities Litigation	2	2002	2009	Mixed verdict		
Jaffe v. Household Intl Inc, et al	7	2002	2009	Mixed verdict		
In re Equisure, Inc. Sec, et al v., et al	8	1997	1998	Default judgment		
Settled with at Least Some Defendants before Verdict						
Goldberg, et al v. First Union National, et al	11	2000	2003	Settled before verdict		
In re AT&T Corporation Securities Litigation	3	2000	2004	Settled before verdict		
In re Safety Kleen, et al v. Bondholders Litigati, et al	4	2000	2005	Partially settled before verdict, default judgment		
White v. Heartland High-Yield, et al	7	2000	2005	Settled before verdict		
In re Globalstar Securities Litigation	2	2001	2005	Settled before verdict		
In re WorldCom, Inc. Securities Litigation	2	2002	2005	Settled before verdict		

Note: Data are from case dockets.

Notes

[1] This edition of NERA's research on recent trends in securities class action litigation expands on previous work by our colleagues Lucy Allen, the late Frederick C. Dunbar, Vinita M. Juneja, Sukaina Klein, Denise Neumann Martin, Jordan Milev, John Montgomery, Robert Patton, Stephanie Plancich, David I. Tabak, and others. We gratefully acknowledge their contribution to previous editions as well as the current one. The authors also thank David Tabak for helpful comments on this version. In addition, we thank current and past researchers in NERA's Securities and Finance Practice for their valuable assistance with this paper. These individuals receive credit for improving this paper; all errors and omissions are ours. Data for this report are collected from multiple sources, including RiskMetrics Group/Securities Class Action Services (SCAS), complaints, case dockets, Dow Jones Factiva, Bloomberg Finance L.P., FactSet Research Systems, Inc., SEC filings, and the public press.

[2] NERA tracks class actions filed in federal courts that involve securities. Most of these cases allege violations of federal securities laws; others allege violation of common law, including breach of fiduciary duty as with some merger objection cases; still others are filed in US Federal court under foreign or state law. If multiple such actions are filed against the same defendant, are related to the same allegations, and are in the same circuit, we treat them as a single filing. However, multiple actions filed in different circuits are treated as separate filings. If cases filed in different circuits are consolidated, we revise our count to reflect that consolidation. Therefore, our count for a particular year may change over time. Different assumptions for consolidating filings would likely lead to counts that are directionally similar but may, in certain circumstances, lead observers to draw a different conclusion about short-term trends in filings.

[3] We have classified cases as credit crisis-related based on the allegations in the complaint. The category includes cases with allegations related to subprime mortgages, mortgage-backed securities, and auction rate securities, as well as some other cases alleged to involve the credit crisis. Our categorization is intended to provide a useful picture of trends in litigation but is not based on detailed analysis of any particular case.

[4] Note that Figures 5, 6, and 7 are not comparable to the figure of filings by circuit, because these refer only to 10b-5 class actions, while the figure of filings by circuit refers to all securities class actions.

[5] For all countries other than China, we use the country of domicile for the issuing company. Many of the defendant Chinese companies, however, obtained their US listing through a reverse merger and, consequently, report a US domicile. For this reason, the Chinese counts also include companies with their principal executive offices in China.

[6] Note that in Figure 13 the percentages of federal cases in which financial institutions are named as defendants are computed on the basis of the first available complaint.

[7] In Figure 14, we follow the protocol started in the edition of Trends for 2012 and consider only the first available complaints in analyzing accounting codefendants. Based on past experience, accounting codefendants were added relatively often to cases in subsequent complaints.

[8] Most complaints include a wide variety of allegations. Due to multiple types of allegations in complaints, the percentages in Figure 15 could sum to more than 100%.

[9] Cases for which investor losses are not calculated are excluded from the statistics shown in this paper. The largest excluded groups are IPO laddering cases and merger objection cases.

[10] These are cases in which the language of the docket or decision referred to the motion being granted in its entirety or simply "granted," but not cases in which the motion was explicitly granted without prejudice.

[11] Moreover, it is possible that there are some cases that we have categorized as resolved that are, or will in future, be subject to appeal.

[12] Unless otherwise noted, tentative settlements (those yet to receive court approval) and partial settlements (those covering some but not all non-dismissed defendants) are not included in our settlement statistics. We define "Settlement Year" as the year of the first court hearing related to the fairness of the entire settlement or the last partial settlement.

[13] Here the word "dismissed" is used as shorthand for all cases resolved without settlement: it includes cases where a motion to dismiss was granted (and not appealed or appealed unsuccessfully), voluntary dismissals, cases terminated by a successful motion for summary judgment, or an unsuccessful motion for class certification. The majority of these cases are those where a motion to dismiss was granted.

[14] It is possible that not all our sources have updated the dismissal status yet. Thus, more cases may have been dismissed in 2013 than we include in our counts at present.

[15] To compute the number of settlements between the Amgen decision and the filing of Halliburton's second writ we have used the period March-August. For the average number in the period 2005-2012 we have subdivided each year in two periods January-June and July-December.

[16] Note that Figures 22, 23, and 24 refer to 10b-5 settlements, while the other figures refer to securities class actions (with the limitations explained in the footnotes of each figure).

[17] See footnote 13 for the definition of "dismissed." The dismissal rates shown here do not include resolutions for IPO laddering cases, merger objection cases, or cases with trial verdicts. When a dismissal is reversed, we update our counts.

[18] The settlement values that we report include plaintiffs' attorneys' fees and expenses in addition to the amounts ultimately paid to the class.

About NERA

NERA Economic Consulting (**www.nera.com**) is a global firm of experts dedicated to applying economic, finance, and quantitative principles to complex business and legal challenges. For over half a century, NERA's economists have been creating strategies, studies, reports, expert testimony, and policy recommendations for government authorities and the world's leading law firms and corporations. We bring academic rigor, objectivity, and real world industry experience to bear on issues arising from competition, regulation, public policy, strategy, finance, and litigation.

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EXHIBIT 5

CORNERSTONE RESEARCH

ECONOMIC AND FINANCIAL CONSULTING AND EXPERT TESTIMONY

Securities Class Action Settlements

2013 Review and Analysis

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HIGHLIGHTS

- Total settlement dollars in 2013 increased substantially—46 percent over 2012 and 60 percent above the average for the prior five years. (page 3)
- There were 67 settlements in 2013 (up from 57 in 2012), the first year-over-year increase since 2009. (page 3)
- Mega settlements pushed settlement dollars up in 2013, accounting for 84 percent of total settlement dollars, the second highest proportion in the last decade. (page 4)
- While mega settlements drove up the 2013 average settlement amount, the median settlement amount declined, reflecting a reduction in the size of more typical cases. (page 5)
- For 2013, the median "estimated damages" declined 48 percent from 2012 and is 17.5 percent lower than the median for post–Reform Act settlements in the prior five years. Since "estimated damages" are the most important factor in determining settlement amounts, this decline was likely a major factor contributing to the substantially lower median settlement in 2013 compared with 2012. (page 7)
- The proportion of settled cases in 2013 involving accounting allegations dipped to a ten-year low, but the settlement as a percentage of "estimated damages" for these cases was much higher than for cases not involving such allegations. (page 13)
- The median settlement in 2013 for cases with a public pension as a lead plaintiff was $23 million, compared with $3 million for cases without a public pension as a lead plaintiff. (page 15)
- New analyses reveal that settlements of $50 million or lower are far less likely to involve accompanying SEC actions or a public pension as a lead plaintiff. (page 18)

FIGURE 1: **SETTLEMENT STATISTICS**

(Dollars in Millions)

	2013	1996–2012
Minimum	$0.7	$0.1
Median	$6.5	$8.3
Average	$71.3	$55.5
Maximum	$2,425.0	$8,358.2
Total Amount	$4,773.9	$73,740.2

Note: Settlement dollars adjusted for inflation; 2013 dollar equivalent figures used.

DEVELOPING TRENDS

The year 2013 saw the highest total dollar value of settlements approved over the last six years. This was due in part to an uptick in the number of cases settled (compared with the prior two years), as well as the relatively high average shareholder losses associated with cases settled in 2013 (the second highest in the last six years). The surrounding economic events are an important backdrop to understanding the settlement trends.

Settlement sizes in 2013 were affected by the resolution of a number of credit crisis cases, which tend to involve relatively large settlement amounts and related investor losses. Pharmaceutical industry sector settlements also contributed to the overall increase.

At the opposite end of the settlement spectrum were settlements of Chinese reverse merger cases. These matters tend to be relatively small. According to *Securities Class Action Filings—2013 Year in Review* released earlier this year by Cornerstone Research, the majority of these cases were filed in 2011 and thus, not surprisingly, a relatively large number (14 cases) were settled in 2013. All but one of these settlements were for amounts less than $10 million.

Despite record enforcement activity by the SEC in the last couple of years, there has not been an increase in securities class action settlements accompanied by SEC actions. This is due in part to the potential lag between the underlying class action settlement and resolution of activity commenced by the SEC. Furthermore, the SEC's enforcement activity includes matters outside the scope of this research. Nevertheless, it is possible there will be an increase in securities class actions accompanied by disclosure-related SEC enforcement actions in the future.

In addition, securities class action filings (i.e., new cases) involving Rule 10b-5, Section 11, and/or Section 12 allegations have been relatively high over the last few years, including a surge in the second half of 2013 (see *Securities Class Action Filings—2013 Year in Review*). Thus, it is unlikely there will be any significant decline in the overall number of cases settled in upcoming years.

Looking ahead, it would be remiss not to mention the *Halliburton Co. v. Erica P. John Fund* matter currently before the U.S. Supreme Court. As has been widely discussed, the case challenges the fraud-on-the-market presumption that was established in 1988 through *Basic Inc. v. Levinson*. The suit has the potential to dramatically affect the entire landscape surrounding securities class actions, including issues that are the focus of this report, such as the damages associated with securities cases, the progression of these cases through the litigation process, and ultimately, the settlement amounts involved.

This report analyzes a sample of securities class actions filed after passage of the Private Securities Litigation Reform Act of 1995 (Reform Act) and settled from 1996 through year-end 2013, and explores a variety of factors that influence settlement outcomes. This study focuses on cases alleging fraudulent inflation in the price of a corporation's common stock (i.e., excluding cases with alleged classes of only bondholders, preferred stockholders, etc., and excluding cases alleging fraudulent depression in price). See page 24 for a detailed description of the research sample.

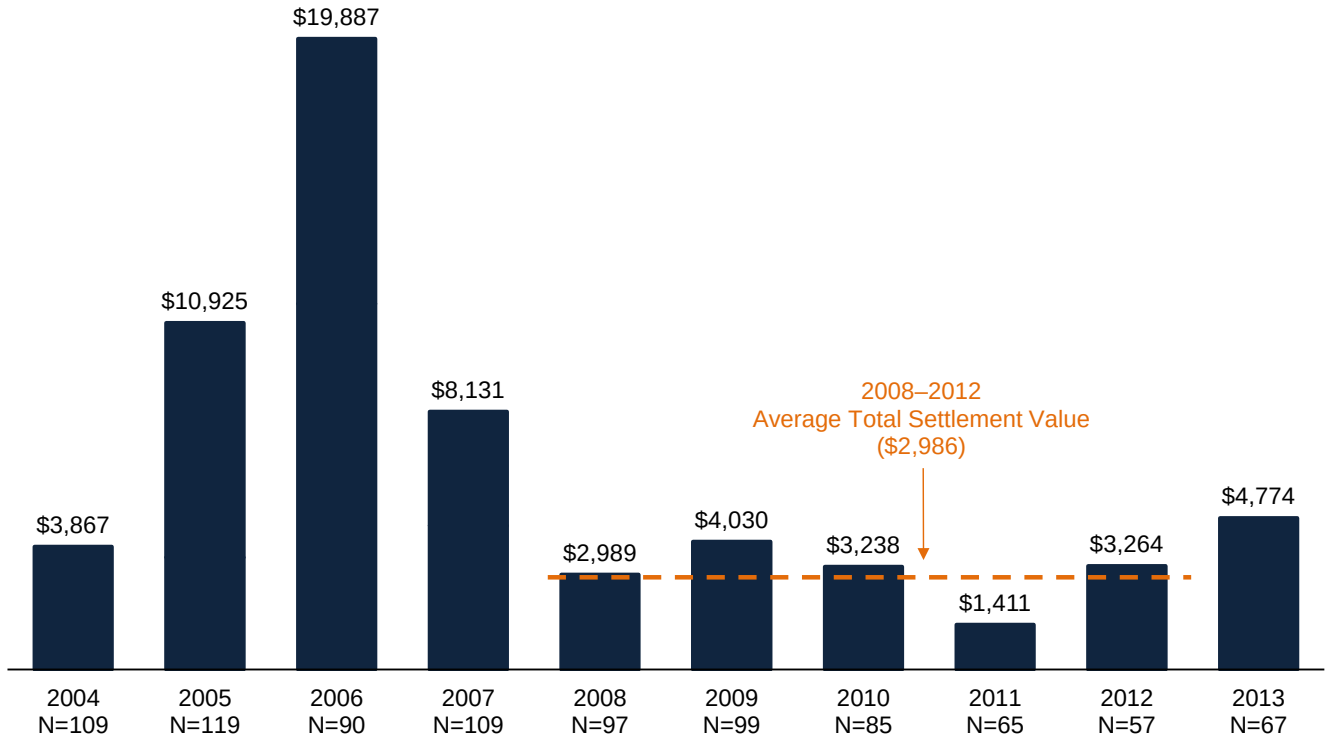
NUMBER AND SIZE OF SETTLEMENTS

TOTAL SETTLEMENT DOLLARS

- In 2013, there were 67 court-approved settlements, a 17.5 percent increase from 2012 and a reversal of the year-over-year decline in the number of settlements observed since 2009.
- The increase in the number of settlements is likely due, in part, to increased securities class action filings during 2010 through 2012.[1] (*See* page 19 for a related discussion of time from filing to settlement.)
- The increase in total settlement dollars in 2013 was largely driven by six mega settlements (settlements at or above $100 million).

Total settlement dollars in 2013 increased 46 percent over 2012.

FIGURE 2: **TOTAL SETTLEMENT DOLLARS**
2004–2013
(Dollars in Millions)



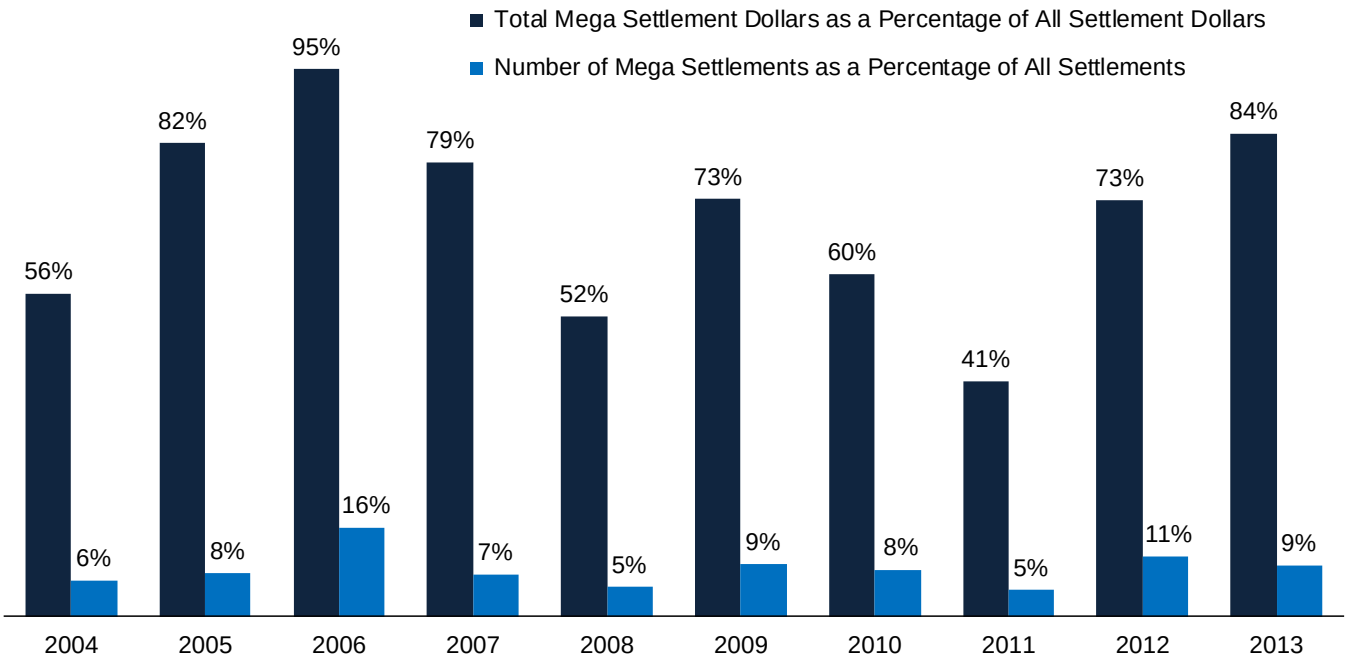
Note: Settlement dollars adjusted for inflation; 2013 dollar equivalent figures used.

MEGA SETTLEMENTS

- The percentage of settlement dollars from mega settlements (settlements at or above $100 million) was the second highest proportion in the last ten years.
- As noted, there were six mega settlements in 2013, including one settlement for more than $2 billion. The remaining five cases settled for between $150 million and $600 million.
- Three mega settlements involved pharmaceutical companies, and three involved financial institutions.

In 2013, six settlements accounted for 84 percent of total settlement dollars.

FIGURE 3: **MEGA SETTLEMENTS**
2004–2013

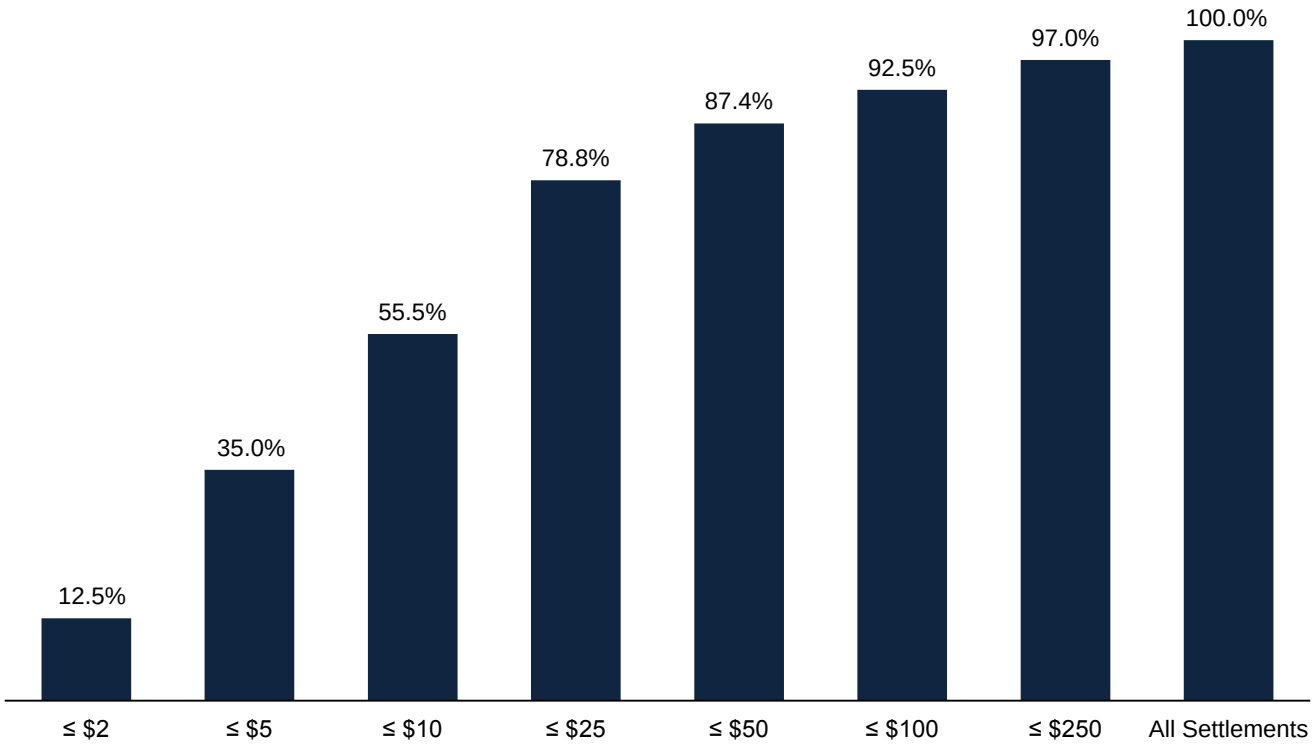


SETTLEMENT SIZE

- In 2013, the settlement size in approximately 60 percent of settled cases was $10 million or less, slightly higher than the cumulative ten-year percentage of about 56 percent.
- This high number of smaller settlements contributed to a 37 percent decline in the median settlement size in 2013 compared with 2012 ($6.5 million in 2013 versus $10.3 million in 2012).
- Roughly 32 percent of settlements less than $10 million in 2013 were for cases involving Chinese reverse mergers.[2]
- A total of 44 cases related to the subprime credit crisis are included in this study.[3] The median settlement for credit crisis–related cases was $30 million and the average settlement was over $140 million. These cases generally settle for higher amounts compared to cases not associated with the credit crisis.

The vast majority of securities class actions settle for less than $50 million.

FIGURE 4: **CUMULATIVE TEN-YEAR SETTLEMENT DISTRIBUTION 2004–2013**
(Dollars in Millions)



Note: Settlement dollars adjusted for inflation; 2013 dollar equivalent figures used.

SETTLEMENT SIZE *continued*

- Overall, 50 percent of post–Reform Act cases have settled for between $3.6 million and $20.6 million.
- Despite recent swings in annual median settlements, the range of settlement values between the 25th and 75th percentiles, with few exceptions, has fluctuated moderately with no discernible trend.

Annual median settlement values have ranged between $6 and $12 million in recent years.

FIGURE 5: **SETTLEMENT PERCENTILES**
(Dollars in Millions)

Year	Average	10th	25th	Median	75th	90th
1996–2013	$42.0	$1.7	$3.6	$8.1	$20.6	$70.6
2013	$71.3	$1.9	$3.0	$6.5	$21.5	$79.5
2012	$57.3	$1.3	$2.8	$10.3	$35.5	$110.6
2011	$21.7	$1.9	$2.6	$6.0	$18.6	$43.3
2010	$38.1	$2.1	$4.5	$12.0	$26.7	$85.0
2009	$40.7	$2.6	$4.2	$8.7	$21.7	$72.1

Note: Settlement dollars adjusted for inflation; 2013 dollar equivalent figures used.

DAMAGES ESTIMATES AND MARKET CAPITALIZATION LOSSES

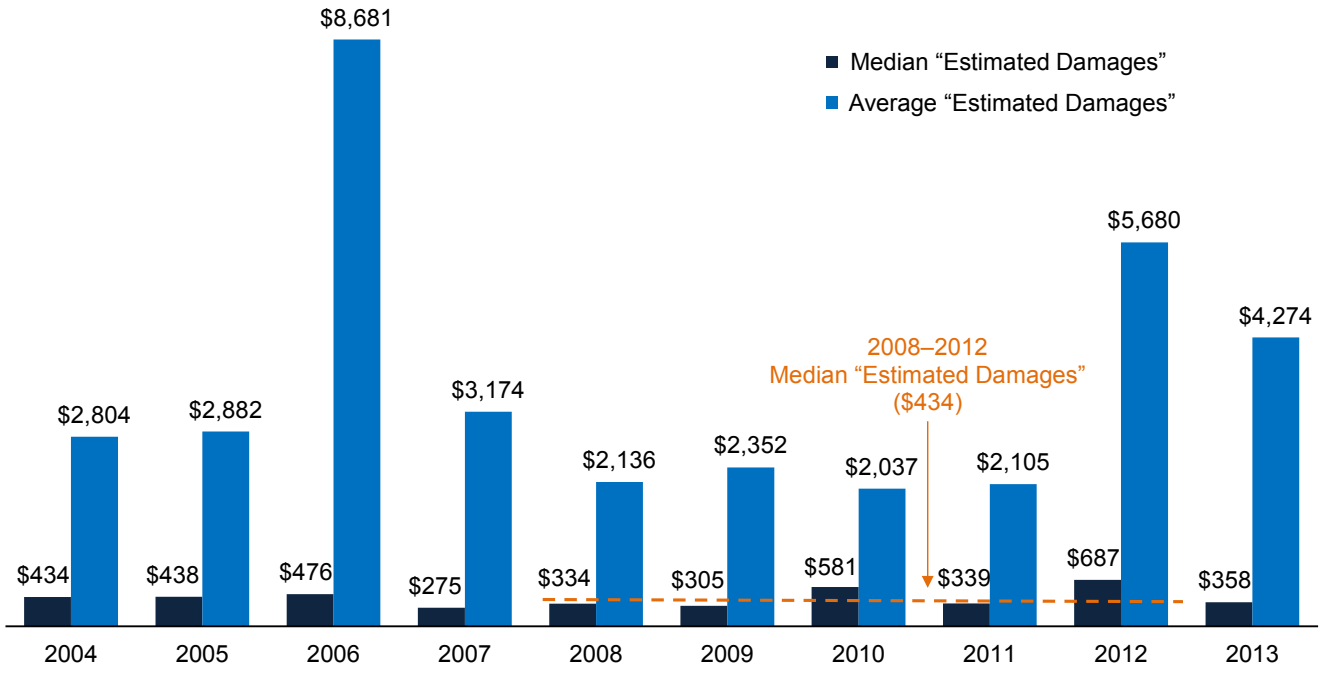
"ESTIMATED DAMAGES"

For purposes of this research and prior Cornerstone Research reports on securities class action settlements, these analyses use simplified calculations of shareholder losses, referred to as "estimated damages." Application of this consistent method allows for the identification and analysis of potential trends. "Estimated damages" are not necessarily linked to the allegations included in the associated court pleadings.[4] Accordingly, damages estimates presented in this report are not intended to be indicative of actual economic damages borne by shareholders.

Median "estimated damages" for 2013 declined 48 percent from 2012.

- Average "estimated damages" for 2013 were the third highest in the post–Reform Act era, due in part to a small number of extremely large cases, two of which related to the credit crisis.
- The decline in median "estimated damages" was likely a major factor contributing to the substantially lower median settlement in 2013 relative to 2012.[5]

FIGURE 6: **MEDIAN AND AVERAGE "ESTIMATED DAMAGES"**
2004–2013
(Dollars in Millions)



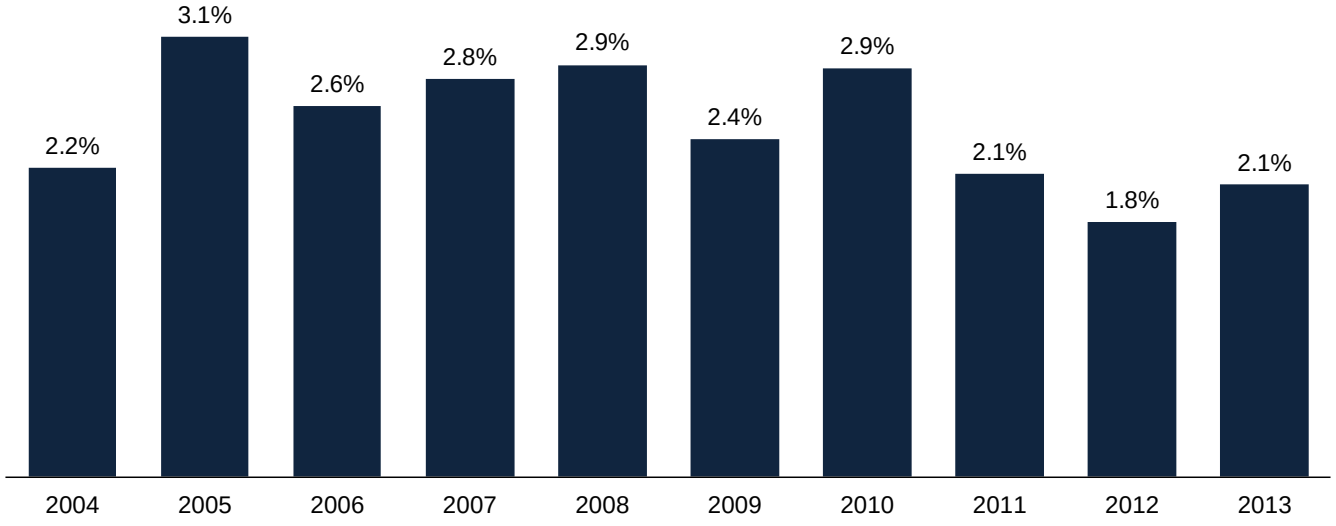
Note: "Estimated damages" are adjusted for inflation based on class period end dates.

"ESTIMATED DAMAGES" *continued*

- In 2013, the median settlement as a percentage of "estimated damages" rebounded slightly from a historic low of 1.8 percent in 2012.
- Median settlements as a percentage of "estimated damages" remained relatively low compared to levels observed over the past decade. Two factors contributed to this: the increased number of extremely large cases and the presence of credit crisis cases.
  - Traditionally, cases with large "estimated damages" have settled for a smaller proportion of those damages.
  - For credit crisis cases settled in 2013, the median settlement as a percentage of "estimated damages" was 0.7 percent, compared with 2.3 percent for all other cases settled in 2013.

Settlements as a percentage of "estimated damages" observed over the last three years are the lowest in the past decade.

FIGURE 7: **MEDIAN SETTLEMENTS AS A PERCENTAGE OF "ESTIMATED DAMAGES" 2004–2013**



"ESTIMATED DAMAGES" *continued*

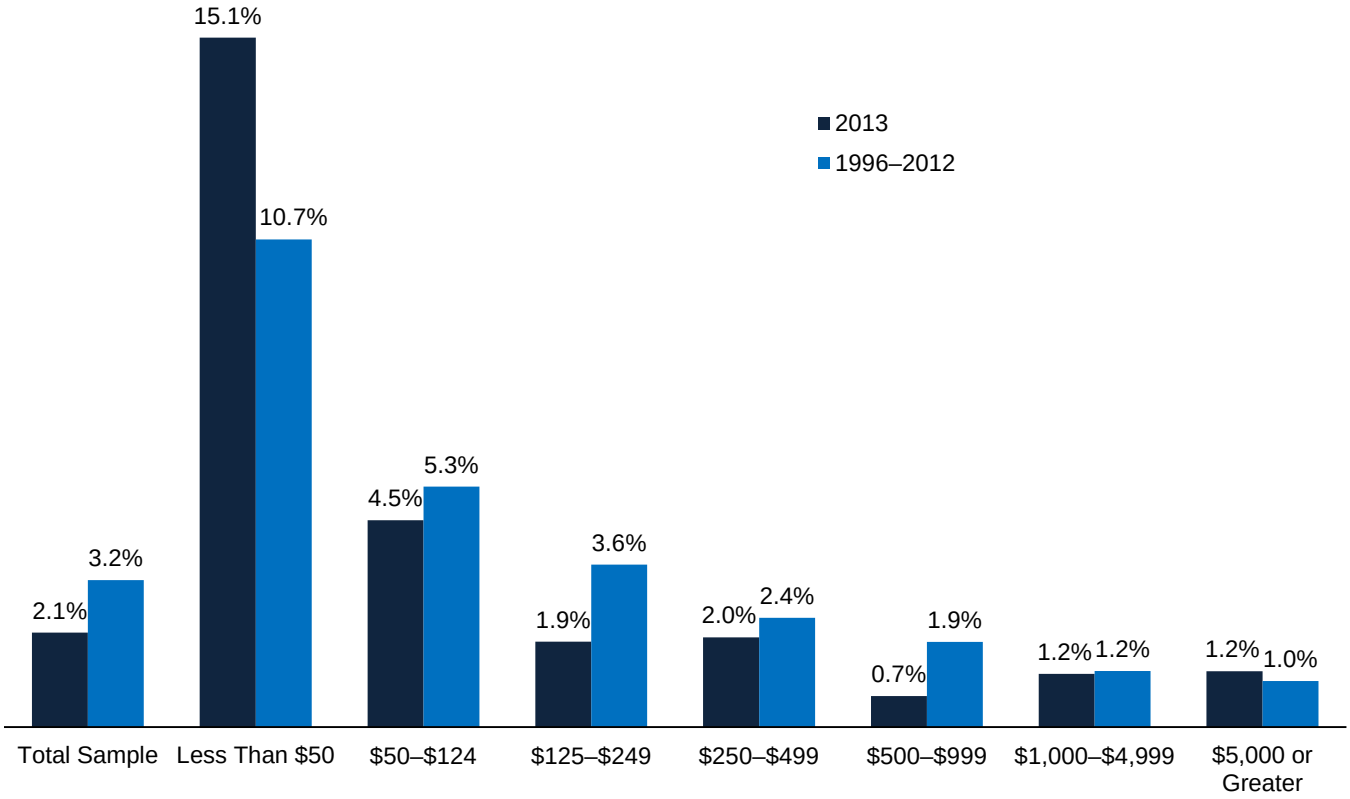
- Settlement amounts are generally larger when "estimated damages" are larger. Yet, as previously mentioned, settlements as a percentage of "estimated damages" tend to be smaller when "estimated damages" are larger.
- In 2013, relatively small cases—those with "estimated damages" of less than $50 million—had a median settlement as a percentage of "estimated damages" of 15.1 percent, compared with 2.1 percent for all 2013 settlements.

In 2013, smaller cases settled at a much higher percentage of "estimated damages."

FIGURE 8: **MEDIAN SETTLEMENTS AS A PERCENTAGE OF "ESTIMATED DAMAGES" BY DAMAGES RANGES**

1996–2013

(Dollars in Millions)



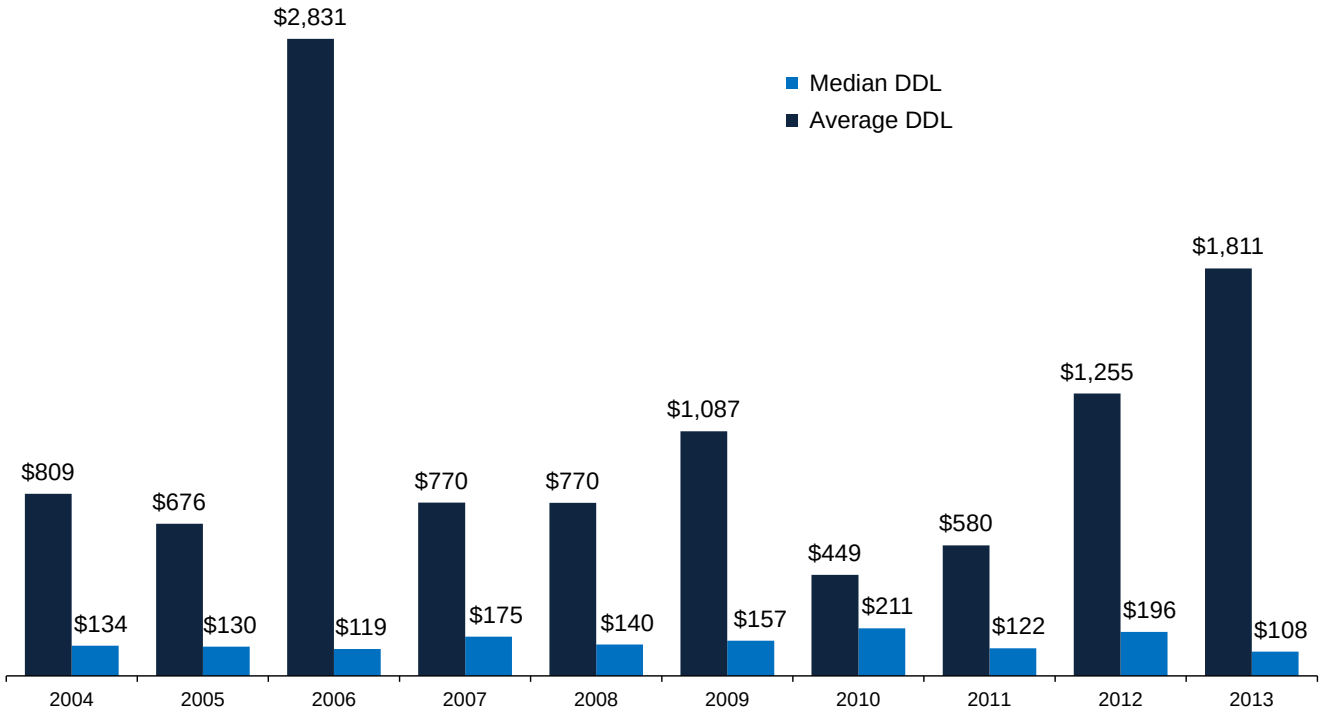
DISCLOSURE DOLLAR LOSS

Disclosure Dollar Loss (DDL) is another simplified measure of shareholder losses and an alternative measure to "estimated damages." DDL is calculated as the decline in the market capitalization of the defendant firm from the trading day immediately preceding the end of the class period to the trading day immediately following the end of the class period.[6]

- In contrast to the median DDL, average DDL increased 44 percent from 2012 to $1.8 billion, reflecting the influence of a few very large cases.
- The median market capitalization at the time of settlement for issuers in the top 10 percent of DDL was dramatically higher than the median market capitalization for the next tier of DDL ($133.8 billion compared with $9.2 billion).
- The relationship between settlements and DDL is similar to that between settlements and "estimated damages"—settlements are larger when DDL is larger, yet settlements as a percentage of DDL are generally smaller when DDL is larger.

The median DDL associated with settled cases in 2013 decreased 45 percent from 2012.

FIGURE 9: **MEDIAN AND AVERAGE DISCLOSURE DOLLAR LOSS 2004–2013**
(Dollars in Millions)



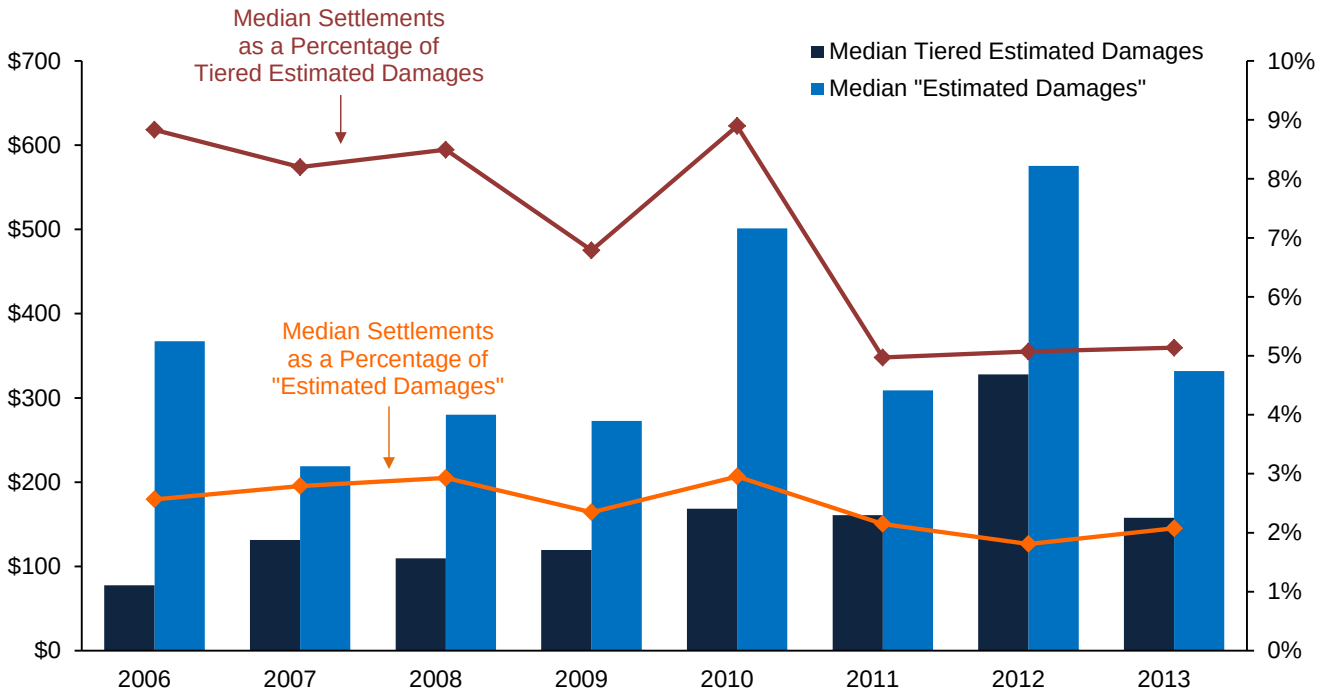
Note: DDL adjusted for inflation based on class period end dates.

TIERED ESTIMATED DAMAGES

The landmark decision in 2005 by the U.S. Supreme Court in *Dura Pharmaceuticals Inc. v. Broudo* (*Dura*) determined that plaintiffs must show a causal link between alleged misrepresentations and the subsequent actual losses suffered by plaintiffs. As a result of this decision, damages cannot be associated with shares sold before information regarding the alleged fraud reaches the market. Accordingly, this report considers the influence of *Dura* on securities class action damages calculations by exploring an alternative measure of damages in settlements research. This alternative measure, referred to here as tiered estimated damages, is based on the stock-price drops on alleged corrective disclosure dates as described in the plan of allocation for the settlement.[7] It utilizes a single value line when there is only one alleged corrective disclosure date (at the end of the class period) or a tiered value line when there are multiple alleged corrective disclosure dates.

This alternative measure has been calculated for a subsample of cases settled after 2005. As noted in past reports, tiered estimated damages has not yet surpassed the traditional measure of "estimated damages" used in this series of reports in terms of its power as a predictor of settlement outcomes. However, it is highly correlated with settlement amounts and provides an alternative measure of investor losses for more recent securities class action settlements.

FIGURE 10: **TIERED ESTIMATED DAMAGES**
2006–2013
(Dollars in Millions)



ANALYSIS OF SETTLEMENT CHARACTERISTICS

NATURE OF CLAIMS

- The number of cases settled in 2013 involving only Section 11 and/or Section 12(a)(2) claims is consistent with the increased activity in the U.S. IPO market in recent years.[8] There were eight such cases in 2013 compared with only four in 2012.
- The median settlement as a percentage of "estimated damages" is higher for cases involving only Section 11 and/or Section 12(a)(2) claims compared with cases involving only Rule 10b-5 claims.

"Estimated damages" are typically smaller for cases involving only Section 11 and/or Section 12(a)(2) claims.

FIGURE 11: **SETTLEMENTS BY NATURE OF CLAIMS**
1996–2013
(Dollars in Millions)

	Number of Settlements	Median Settlements	Median "Estimated Damages"	Median Settlements as a Percentage of "Estimated Damages"
Section 11 and/or 12(a)(2) Only	80	$3.4	$46.7	7.4%
Both Rule 10b-5 and Section 11 and/or 12(a)(2)	246	$11.7	$402.3	3.4%
Rule 10b-5 Only	1,049	$6.8	$272.2	2.9%
All Post–Reform Act Settlements	1,376	$7.0	$257.1	3.1%

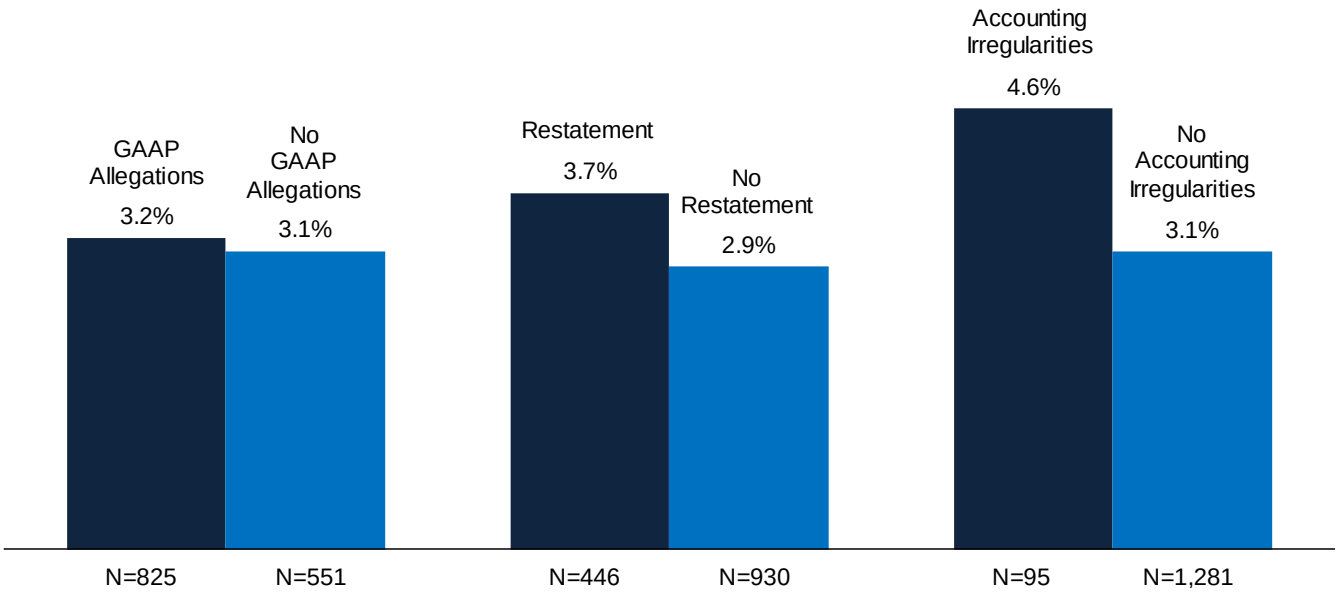
ACCOUNTING ALLEGATIONS

This research examines three types of accounting allegations among settled cases: (1) alleged GAAP violations, (2) restatements, and (3) reported accounting irregularities.[9]

- Cases involving accounting allegations are typically associated with higher settlement amounts and higher settlements as a percentage of "estimated damages."
- Cases alleging GAAP violations settled for only a slightly higher percentage of "estimated damages" than cases not alleging GAAP violations.
- Restatement cases settled for a higher percentage of "estimated damages" compared with GAAP cases not involving restatements.
- In 2013, 55 percent of settled cases alleged GAAP violations, 21 percent were associated with restatements, while only 4 percent involved reported accounting irregularities.
- Although relatively few settlements in 2013 involved reported accounting irregularities, these cases settled for a much larger percentage of "estimated damages" compared with cases not involving accounting irregularities.

The proportion of settled cases in 2013 involving accounting allegations dipped to a ten-year low.

FIGURE 12: **MEDIAN SETTLEMENTS AS A PERCENTAGE OF "ESTIMATED DAMAGES" AND ACCOUNTING ALLEGATIONS**
1996–2013

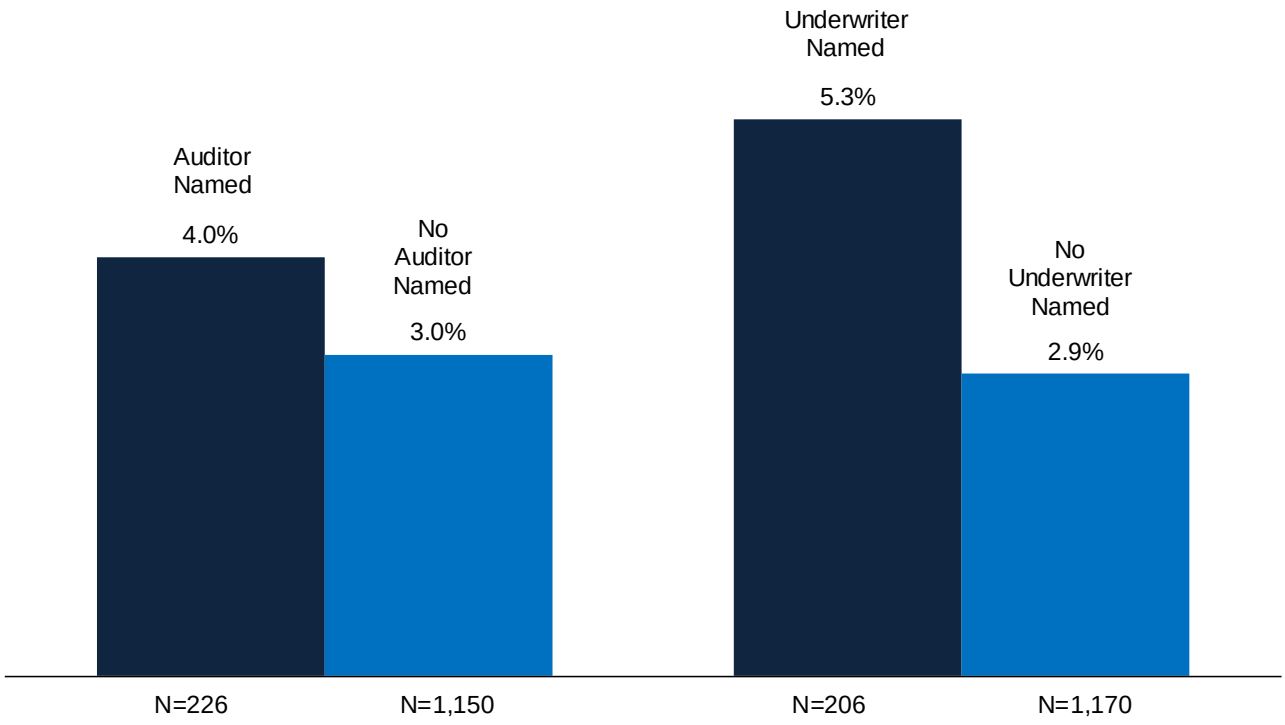


THIRD-PARTY CODEFENDANTS

- Third parties, such as an auditor or an underwriter, are often named as codefendants in larger, more complex cases and provide an additional source of settlement funds.
- Outside auditor defendants are often associated with cases involving restatements of financial statements or alleged GAAP violations, while the presence of underwriter defendants is highly correlated with the inclusion of Section 11 claims.
- In 2013, 32 percent of accounting-related cases had a named auditor defendant, while 76 percent of cases with Section 11 claims had a named underwriter defendant.

Cases with third-party codefendants have higher settlements as a percentage of "estimated damages."

FIGURE 13: **MEDIAN SETTLEMENTS AS A PERCENTAGE OF "ESTIMATED DAMAGES" AND THIRD-PARTY CODEFENDANTS**
1996–2013

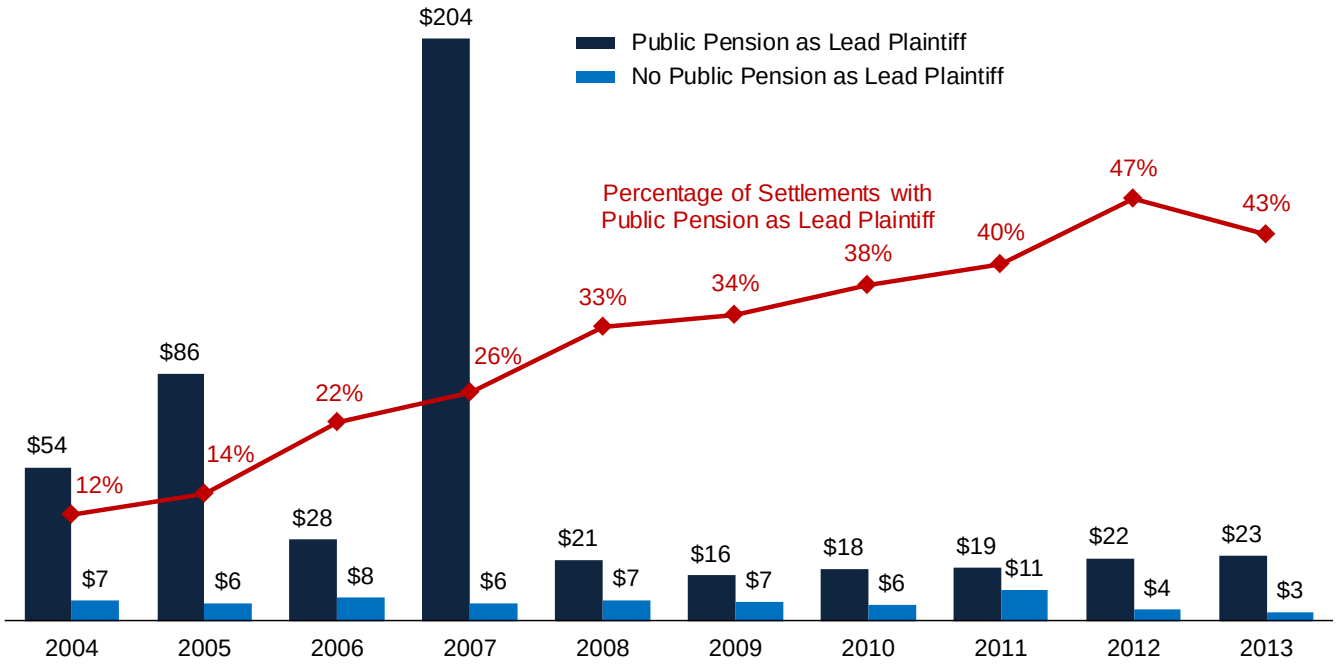


INSTITUTIONAL INVESTORS

- Since 2006, more than half of the settlements in any given year have involved institutional investors as lead plaintiffs.
- Among institutional investors, public pensions are the most active, involved as lead plaintiffs in over 55 percent of settlements with an institutional investor lead plaintiff since 2006.
- In 2013, public pensions served as a lead plaintiff in 43 percent of settled cases, slightly lower than in 2012 (47 percent), but nearly four times the 2004 figure (12 percent).
- The median settlement in 2013 for cases with a public pension as a lead plaintiff was $23 million, compared with $3 million for cases without a public pension as a lead plaintiff.

The presence of a public pension as a lead plaintiff is associated with higher settlements.

FIGURE 14: **MEDIAN SETTLEMENT AMOUNTS AND PUBLIC PENSIONS 2004–2013**
(Dollars in Millions)



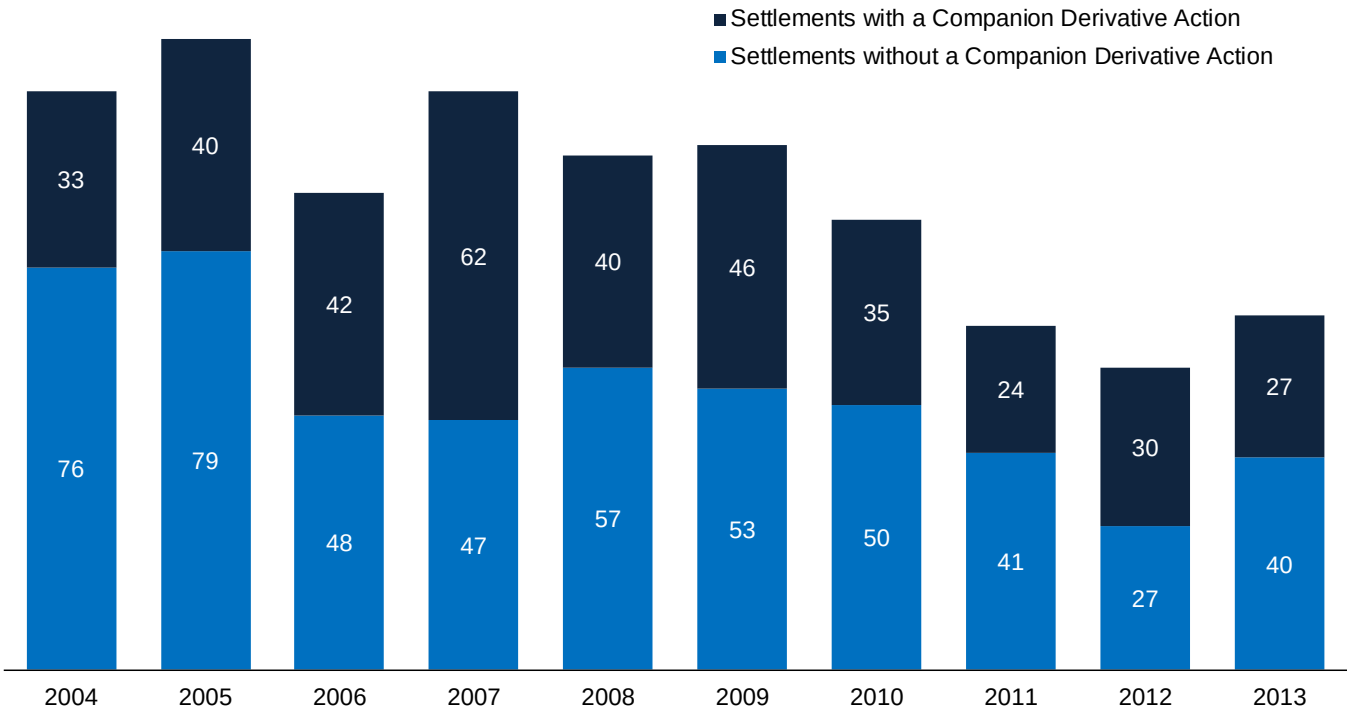
Note: Settlement dollars adjusted for inflation; 2013 dollar equivalent figures used.

DERIVATIVE ACTIONS

- "Estimated damages" for cases with accompanying derivative actions are typically higher compared to cases with no identifiable derivative action.[10]
- In 2013, 40 percent of settled cases were accompanied by derivative actions, compared with 53 percent of settled cases in 2012, and 32 percent of settled cases in prior post–Reform Act years.
- In recent years, cases in the sample have included far fewer simultaneous class and derivative settlements than in prior years.[11] In fact, during 2013, only two securities class actions settled simultaneously with the related derivative action.

Settlement amounts for class actions accompanied by derivative actions are significantly higher.

FIGURE 15: **FREQUENCY OF DERIVATIVE ACTIONS**
2004–2013



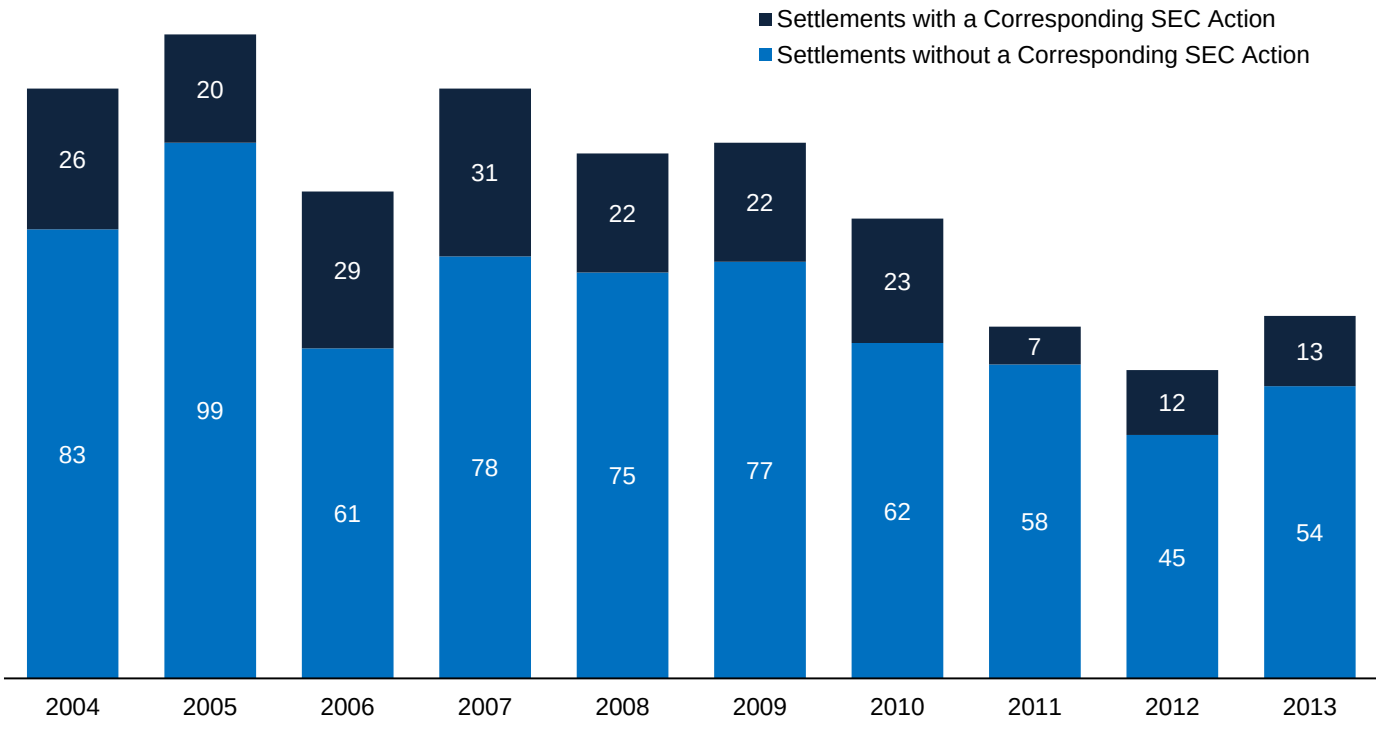
CORRESPONDING SEC ACTIONS

Cases that involve a corresponding SEC action (evidenced by the filing of a litigation release or administrative proceeding prior to the settlement of the class action) are associated with significantly higher settlement amounts and have higher settlements as a percentage of "estimated damages."[12]

- In 2013, 19 percent of settled cases involved a corresponding SEC action, compared with 21 percent in 2012, and 23 percent of settled cases in prior post–Reform Act years.
- The median settlement for cases with an SEC action among all post–Reform Act years ($12.9 million) was more than two times the median settlement for cases without a corresponding SEC action.
- Record enforcement activity by the SEC in 2011 and 2012 was followed by a modest decrease in 2013.[13] SEC enforcements focus on a large scope of allegations, beyond those that may be included in the types of cases examined in this report. However, the SEC is placing sufficient emphasis on disclosure-related fraud and securities offerings such that the rate of securities class action settlements with corresponding SEC actions may increase.[14]

The recent decline in corresponding SEC actions may result from the reported slowdown in financial fraud investigations by the SEC during 2008–2010.

FIGURE 16: **FREQUENCY OF SEC ACTIONS**
2004–2013



COMPARISON OF SETTLEMENT CHARACTERISTICS BY SIZE

Several of the characteristics highlighted in this report are more prevalent for larger cases than smaller cases. For example, among the small proportion of post–Reform Act cases that settled for more than $50 million, 63 percent had a companion derivative action and 52 percent involved a third party as a codefendant. However, for the vast majority of cases in the sample that settled for less than $50 million, only 29 percent had a companion derivative action and only 24 percent involved a third-party as a codefendant.

- In addition, 57 percent were associated with GAAP allegations, compared with 79 percent for larger cases.
- 16 percent had a public pension as a lead plaintiff, compared with 62 percent for larger cases.

Settlements of $50 million or lower are far less likely to involve corresponding SEC actions or public pensions as lead plaintiffs.

FIGURE 17: **COMPARISON OF SETTLEMENT CHARACTERISTICS BY SIZE**
2004–2013

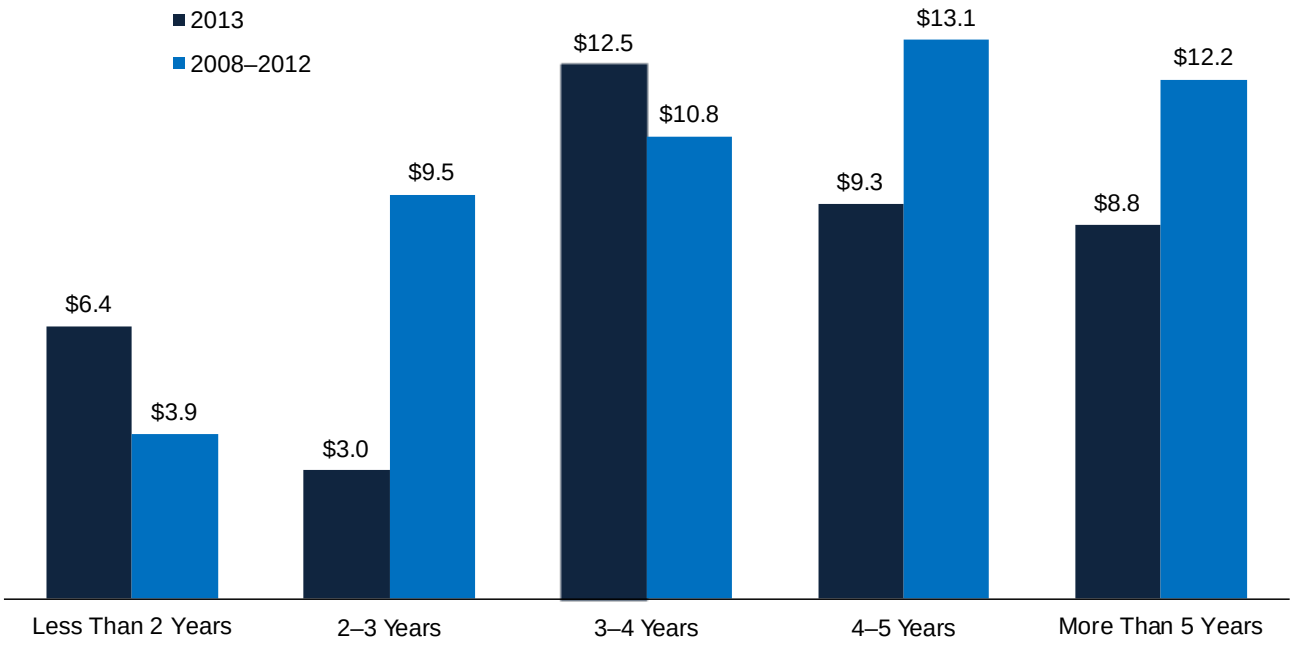
	Corresponding SEC Action	Accompanying Derivative Action	GAAP Allegations	Named Third-Party Codefendant	Public Pension as Lead Plaintiff
$50 Million or Less	19%	29%	57%	24%	16%
More Than $50 Million	54%	63%	79%	52%	62%

TIME TO SETTLEMENT

- Overall, the average time to reach settlement (as measured by the settlement hearing date) has been higher in recent years compared with the early post–Reform Act period.
- However, despite the longer settlement resolutions in recent years, in 2013, a substantial portion of settlements (37 percent) were resolved within 30 months of filing, the highest proportion in the past decade.
- Larger cases (as measured by "estimated damages") and cases involving larger firms tend to take longer to reach settlement.

In 2013, the median time to settlement was 3.2 years.

FIGURE 18: **MEDIAN SETTLEMENTS BY DURATION FROM FILING DATE TO SETTLEMENT HEARING DATE**
2008–2013
(Dollars in Millions)



LITIGATION STAGES

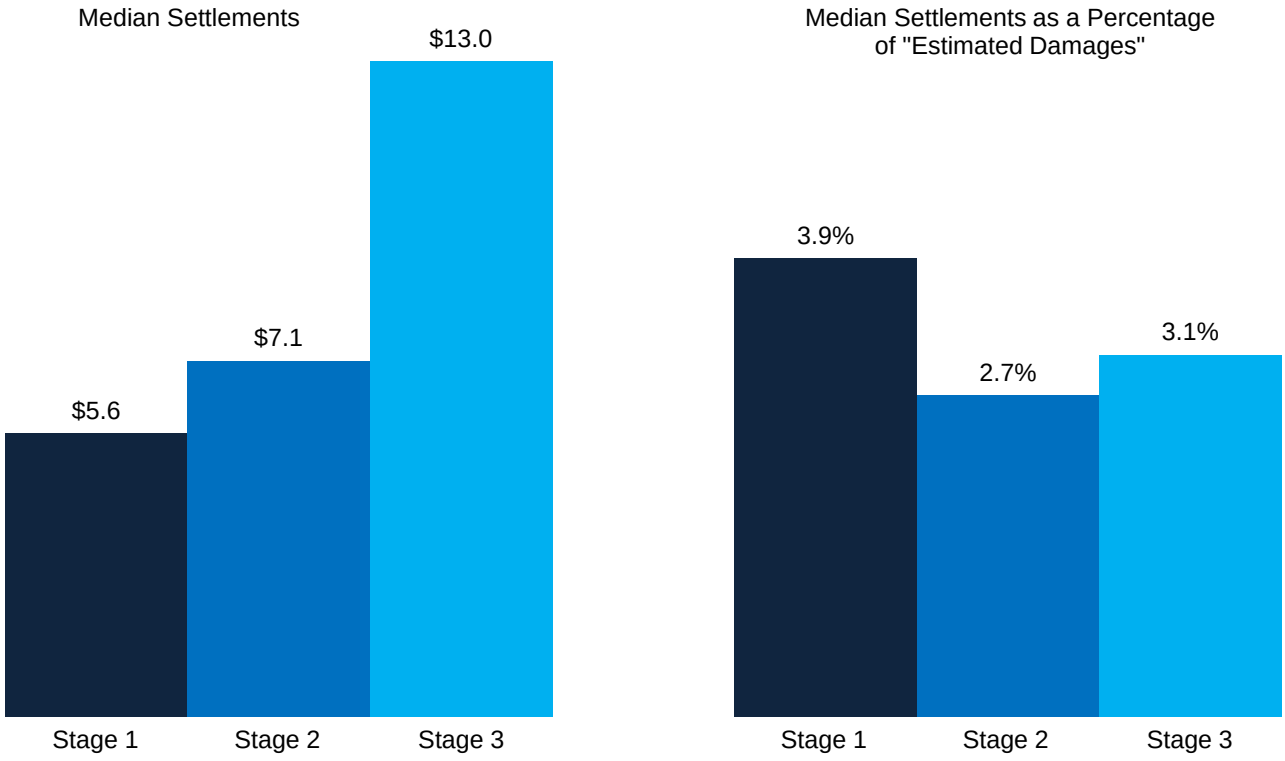
Advancement of cases through the litigation process may be considered an indication of the merits of a case (e.g., surviving a motion to dismiss) and/or the time and effort invested by the plaintiff counsel. This report studies three stages in the litigation process:

Stage 1: Settlement before the first ruling on a motion to dismiss
Stage 2: Settlement after a ruling on motion to dismiss, but before a ruling on motion for summary judgment
Stage 3: Settlement after a ruling on motion for summary judgment[15]

- Settlement amounts tend to increase as litigation progresses.
- Cases settling in Stage 1 settled for the highest percentage of "estimated damages," while there was only a small difference in the percentage between cases settling in Stage 2 versus Stage 3.
- Larger cases tend to settle at more advanced stages of litigation and tend to take longer to reach settlement. Through 2013, cases reaching Stage 3 had median "estimated damages" of more than three and a half times the median "estimated damages" of cases settling in Stage 1.

Settlements occurring early in the litigation process have smaller "estimated damages."

FIGURE 19: **LITIGATION STAGES**
1996–2013
(Dollars in Millions)



INDUSTRY SECTORS

The financial industry continues to rank the highest in median settlement value across all post–Reform Act years. However, industry sector is not a significant determinant of settlement amounts when controlling for other variables that influence settlement outcomes (such as "estimated damages," asset size, and the presence of third-party codefendants).

- Resolution of credit crisis–related cases has comprised a large portion of settlement activity in the financial sector in recent years—22 percent of settlements in 2013, 30 percent in 2012, and 18 percent in 2011.
- The next most prevalent sectors, in terms of the number of cases settled in 2013, were pharmaceuticals (18 percent) and technology (9 percent). In comparison, pharmaceuticals and technology comprised 6 percent and 24 percent, respectively, of cases settled during 1996 through 2012.
- The shift of settled cases to the pharmaceutical sector is consistent with the larger share of filing activity in the consumer non-cyclical sector (which includes healthcare, biotechnology, and pharmaceutical companies, among others) observed in recent years.[16]

The proportion of settled cases involving pharmaceutical firms was higher in 2013 relative to prior years.

FIGURE 20: **SETTLEMENTS BY SELECT INDUSTRY SECTORS**
1996–2013
(Dollars in Millions)

Industry	Number of Settlements	Median Settlements	Median "Estimated Damages"	Median Settlements as a Percentage of "Estimated Damages"
Financial	169	$12.5	$575.4	3.1%
Telecommunications	141	8.0	340.6	2.4%
Pharmaceuticals	94	8.1	434.0	2.2%
Healthcare	56	6.3	212.1	3.5%
Technology	324	6.0	236.7	3.0%
Retail	117	5.8	171.0	4.3%

FEDERAL COURT CIRCUITS

- The highest concentration of settled cases in the Ninth Circuit in 2013 was in the technology and pharmaceutical sectors, each representing 9 percent of all cases. In prior post–Reform Act years, 38 percent of cases in this circuit involved technology firms, while only 6.5 percent related to pharmaceuticals.
- The number of docket entries can illustrate the complexity of a case and is correlated with the length of time from filing to settlement. Interestingly, the Second Circuit, one of the most active circuits, reports a median number of docket entries that ranks among the lowest.
- Generally, settlement approval hearings are held within four to seven months following the public announcement of a tentative settlement.

The Second and Ninth Circuits continue to lead the other circuits in number of settlements.

FIGURE 21: **SETTLEMENTS BY FEDERAL COURT CIRCUIT**
2009–2013
(Dollars in Millions)

Circuit	Number of Settlements	Median Number of Docket Entries	Median Duration from Tentative Settlement to Approval Hearing *(in months)*	Median Settlements	Median Settlements as a Percentage of "Estimated Damages"
First	11	104	7.3	$6.0	2.7%
Second	95	123	6.5	$11.4	2.4%
Third	34	144	5.8	$10.1	2.4%
Fourth	14	183	4.3	$8.8	1.8%
Fifth	19	168	5.2	$6.5	1.6%
Sixth	16	116	4.0	$13.6	4.1%
Seventh	22	158	4.8	$6.2	2.5%
Eighth	8	178	5.9	$6.5	4.0%
Ninth	110	167	6.0	$8.0	2.3%
Tenth	9	180	6.4	$7.5	3.4%
Eleventh	19	154	5.5	$6.3	2.1%
DC	2	603	4.9	$83.3	3.7%

CORNERSTONE RESEARCH'S SETTLEMENT PREDICTION ANALYSIS

Characteristics of securities cases that may affect settlement outcomes are often correlated. Regression analysis makes it possible to examine the effects of these factors simultaneously. As part of this ongoing analysis of securities class action settlements, regression analysis was applied to study factors associated with settlement outcomes. Based on this research sample of post–Reform Act cases settled through December 2013, the variables that were important determinants of settlement amounts included the following:

- "Estimated damages"
- Disclosure Dollar Loss (DDL)
- Most recently reported total assets of the defendant firm
- Number of entries on the lead case docket
- The year in which the settlement occurred
- Whether the issuer reported intentional misstatements or omissions in financial statements
- Whether a restatement of financials related to the alleged class period was announced
- Whether there was a corresponding SEC action against the issuer, other defendants, or related parties
- Whether the plaintiffs named an auditor as codefendant
- Whether the plaintiffs named an underwriter as codefendant
- Whether a companion derivative action was filed
- Whether a public pension was a lead plaintiff
- Whether noncash components, such as common stock or warrants, made up a portion of the settlement fund
- Whether the plaintiffs alleged that securities other than common stock were damaged
- Whether criminal charges/indictments were brought with similar allegations to the underlying class action
- Whether Section 11 claims accompanied Rule 10b-5 claims
- Whether the issuer traded on a nonmajor exchange

Settlements were higher when "estimated damages," DDL, defendant asset size, or the number of docket entries were larger. Settlements were also higher in cases involving intentional misstatements or omissions in financial statements reported by the issuer, a restatement of financials, a corresponding SEC action, an underwriter and/or auditor named as codefendant, an accompanying derivative action, a public pension involved as lead plaintiff, a noncash component to the settlement, filed criminal charges, or securities other than common stock alleged to be damaged. Settlements were lower if the settlement occurred in 2004 or later, and if the issuer traded on a nonmajor exchange.

While the primary approach of these analyses is designed to better understand and predict the total settlement amount, these analyses also are able to estimate the probabilities associated with reaching alternative settlement levels. These probabilities can be useful analyses for clients in considering the different layers of insurance coverage available and likelihood of contributing to the settlement fund. Regression analysis can also be used to explore hypothetical scenarios, including but not limited to the effects on settlement amounts given the presence or absence of particular factors found to significantly affect settlement outcomes.

RESEARCH SAMPLE

- The database used in this report focuses on cases alleging fraudulent inflation in the price of a corporation's common stock (i.e., excluding cases with alleged classes of only bondholders, preferred stockholders, etc., and excluding cases alleging fraudulent depression in price).
- The sample is limited to cases alleging Rule 10b-5, Section 11, and/or Section 12(a)(2) claims brought by purchasers of a corporation's common stock. These criteria are imposed to ensure data availability and to provide a relatively homogeneous set of cases in terms of the nature of the allegations.
- The current sample includes 1,396 securities class actions filed after passage of the Reform Act (1995) and settled from 1996 through 2013. These settlements are identified based on a review of case activity collected by Securities Class Action Services LLC (SCAS).[17]
- The designated settlement year, for purposes of this report, corresponds to the year in which the hearing to approve the settlement was held.[18] Cases involving multiple settlements are reflected in the year of the most recent partial settlement, provided certain conditions are met.[19]

DATA SOURCES

In addition to SCAS, data sources include Dow Jones Factiva, Bloomberg, Center for Research in Security Prices (CRSP) at University of Chicago Booth School of Business, Standard & Poor's Compustat, court filings and dockets, SEC registrant filings, SEC litigation releases and administrative proceedings, LexisNexis, and public press.

ENDNOTES

1 See *Securities Class Action Filings—2013 Year in Review,* Cornerstone Research, 2014. This report, *Securities Class Action Settlements—2013 Review and Analysis,* excludes merger and acquisition cases since those cases do not meet the sample criteria.

2 See *Investigations and Litigation Related to Chinese Reverse Merger Companies*, Cornerstone Research, 2011; and *Securities Class Action Filings—2013 Year in Review,* Cornerstone Research, 2014.

3 For further discussion and case details for subprime credit crisis matters, see the *D&O Diary* at www.dandodiary.com.

4 The simplified "estimated damages" model is applied to common stock only. For all cases involving Rule 10b-5 claims, damages are calculated using a market-adjusted, backward-pegged value line. For cases involving only Section 11 and/or Section 12(a)(2) claims, damages are calculated using a model that caps the purchase price at the offering price. Volume reduction assumptions are based on the exchange on which the issuer's common stock traded. Finally, no adjustments for institutions, insiders, or short sellers are made to the underlying float.

5 Twenty settlements out of the 1,396 cases in the sample were excluded from calculations involving "estimated damages" due to stock data availability issues. The WorldCom settlement was also excluded from these calculations because most of the settlement in that matter related to liability associated with bond offerings (and this research does not compute damages related to securities other than common stock).

6 DDL captures the price reaction—using closing prices—of the disclosure that resulted in the first filed complaint. This measure does not incorporate additional stock price declines during the alleged class period that may affect certain purchasers' potential damages claims. Thus, as this measure does not isolate movements in the defendant's stock price that are related to case allegations, it is not intended to represent an estimate of investor losses. The DDL calculation also does not apply a model of investors' share-trading behavior to estimate the number of shares damaged.

7 The dates used to identify the applicable inflation bands may be supplemented with information from the operative complaint at the time of settlement.

8 See *Securities Class Action Filings—2013 Year in Review,* Cornerstone Research, 2014. Annual U.S. IPO activity in 2010–2012 was significantly higher than in 2008–2009.

9 The three categories of accounting allegations analyzed in this report are: (1) GAAP violations—cases with allegations involving Generally Accepted Accounting Principles (GAAP); (2) restatements—cases involving a restatement (or announcement of a restatement) of financial statements; and (3) accounting irregularities—cases in which the defendant has reported the occurrence of accounting irregularities (intentional misstatements or omissions) in its financial statements.

10 This is true whether or not the settlement of the derivative action coincides with the settlement of the underlying class action, or occurs at a different time.

11 Typically, the resolution of derivative suits lags settlement of an accompanying class action. The common practice of seeking a stay in a parallel derivative suit contributes to this lag in the resolution of derivative suits when compared with accompanying class actions.

12 It could be that the merits in such cases are stronger, or simply that the presence of an accompanying SEC action provides plaintiffs with increased leverage when negotiating a settlement.

13 "SEC Announces Enforcement Results for FY 2013," SEC press release, December 17, 2013, http://www.sec.gov/News/PressRelease/Detail/PressRelease/1370540503617#.UrCA_tJUeuI.

14 *See* Sara E. Gilley and David F. Marcus, Cornerstone Research, "The Changing Nature of SEC Enforcement Actions," *Law360*, October 8, 2013.

15 Litigation stage data obtained from Stanford Law School's Securities Class Action Clearinghouse. Sample does not add to 100 percent as there is a small sample of cases with other litigation stage classifications.

16 See *Securities Class Action Filings—2013 Year in Review,* Cornerstone Research, 2014.

17 Available on a subscription basis.

18 Movements of partial settlements between years can cause differences in amounts reported for prior years from those presented in earlier reports. Additionally, four cases, omitted from 2012 settlements, were added to the data sample.

19 This categorization is based on the timing of the settlement approval. If a new partial settlement equals or exceeds 50 percent of the then-current settlement fund amount, the entirety of the settlement amount is recategorized to reflect the settlement hearing date of the most recent partial settlement. If a subsequent partial settlement is less than 50 percent of the then-current total, the partial settlement is added to the total settlement amount and the settlement hearing date is left unchanged.

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Laarni Bulan is a manager in Cornerstone Research's Boston office, where she specializes in finance. She has consulted on cases related to financial institutions and the credit crisis, municipal bond mutual funds, merger valuations, insider trading, asset-backed commercial paper conduits, and credit default swaps. Dr. Bulan has published several academic articles in peer-reviewed journals. Her research covers topics in dividend policy, capital structure, executive compensation, corporate governance, and real options. Prior to joining Cornerstone Research, Dr. Bulan was an assistant professor of finance at the International Business School and in the economics department of Brandeis University.

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Laura Simmons is a senior advisor in Cornerstone Research's Washington, DC, office. She is a certified public accountant (CPA) and has more than twenty years of experience in accounting practice and economic and financial consulting. She has focused on damages and liability issues in litigation, as well as on accounting issues arising in a variety of complex commercial litigation matters. She has served as a testifying expert in cases involving accounting analyses, securities case damages, research on securities lawsuits, and other issues involving empirical analyses.

Dr. Simmons's research on pre– and post–Reform Act securities litigation settlements has been published in a number of reports and is frequently cited in the public press and legal journals. She has spoken at various conferences and appeared as a guest on CNBC addressing the topic of securities case settlements. She has also published in academic journals, with recent research focusing on the intersection of accounting and litigation. Dr. Simmons was previously an accounting faculty member at the Mason School of Business at the College of William & Mary. From 1986 to 1991, she was an accountant with Price Waterhouse.

The authors acknowledge the research efforts and significant contributions of their colleagues at Cornerstone Research. Please direct any questions and requests for additional information to the settlement database administrator at settlement.database@cornerstone.com.

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EXHIBIT 6

Kirby McInerney LLP is a specialist plaintiffs' litigation firm with expertise in securities, antitrust, commodities, structured finance, whistleblower, health care, consumer, and other fraud litigation.

KM brings experience, intelligence, creativity and dedication to bear in defending our clients' interests against losses, generally in cases of corporate malfeasance. We utilize cutting edge strategies that bring high – and have even brought unprecedented – recoveries for our clients: institutional and other types of investors. We have achieved and are pursuing landmark results in the fields of securities fraud, corporate governance, commodities fraud, consumer, antitrust, health care and ERISA litigation, representing our clients in class actions or, if appropriate, individual litigation.

KM has been a pioneer in securities class action law, and is one of the oldest firms in the field, with over 65 years of experience. Throughout the history of our firm, we have procured ground-breaking victories for our clients. From our victory in *Schneider v. Lazard Freres*, No. 38899, M-6679 (N.Y. App. Div. 1st Dept. 1990), which set the precedent that investment banks have direct duties to the shareholders of the companies they advise, to our procurement of the first-ever appellate reversal of a lower court's dismissal of a class action suit pursuant to the PSLRA in *In re GT Interactive Securities Litigation*, No. 98-cv-0095 (S.D.N.Y. 2000), to our recovery of an unprecedented 100 cents on the dollar for our clients in *In re Cendant Corp. PRIDES Litigation*, No. 98-cv-2819 (D. N.J. 2000), KM has helped to chart the nuances of the U.S. securities laws, and has procured superior results in the process. KM has recovered billions of dollars for our clients, and the average recoveries that we procure in each individual case are among the very best in the field.

Today, our attorneys are leading some of the largest and most significant securities litigations related to the subprime fallout of 2008 on behalf of investors such as the New York State Common Retirement Fund and the New York City Pension Funds. The firm recently settled one of the largest of all of the subprime cases – *In re Citigroup Inc. Securities Litigation*, No. 07-cv-9901 (S.D.N.Y.) – for $590 million. We also obtained a $168 million recovery for the class in *In re National City Corporation Securities, Derivative & ERISA Litigation*, No. 08-cv-70004 (N.D.Oh), a case related to the alleged misrepresentation of the nature and quality of many of National City's loans, the company's designation of unsellable loans as "held for sale," and their alleged understatement of the loan loss reserves, amongst other offenses. Finally, we also procured a $75 million settlement for the class in *In re Wachovia Equity Securities Litigation*, No. 08-cv-6171 (S.D.N.Y.), a similar subprime-related lawsuit.

Some of our other notable securities work includes:

- *In re BISYS Securities Litigation*, No. 04-cv-3480 (S.D.N.Y. 2007). We were co-lead counsel to the Police and Fire Retirement System for the City of Detroit and to a class of investors in connection with securities class action litigation against BISYS and Dennis Sheehan, BISYS President and Chief Operating Officer. The claim alleged that BISYS and Sheehan violated 10(b) of the Securities Exchange Act of 1934 and Rule 10-5 thereunder by disseminating false and misleading information in press releases and SEC filings

throughout the class period. Plaintiffs alleged that as a result of the misleading statements including inaccurate financial reporting, the price of BISYS common stock was inflated and investors who purchased stock at this time were damaged. Our work in this case included: drafting and oversight of pleadings and briefs; motions for *inter alia,* lead plaintiff appointment, dismissal, class certification; propounding and responding to discovery requests; review of document production; taking and defending of depositions; and filing and taking of appeals. This securities class action resulted in a total recovery of $66 million for the class.

- *In re Adelphia Communications Corp. Securities & Derivative Litigation*, No. 03 MDL 1529 (S.D.N.Y. 2007). We were co-lead counsel to Argent Classic Convertible Arbitrage Fund L.P., Argent Classic Convertible Arbitrage Fund, Ltd., Argent Lowlev Convertible Arbitrage Fund, Ltd., and a class of investors in *In re Adelphia Communications Corp. Securities & Deriv. Litig.,* one of the largest cases of improper self-dealing by insiders in corporate history. Our work on this case included drafting and oversight of pleadings and briefs relating to lead plaintiff appointment, motions to dismiss, and collateral litigation concerning, *inter alia*, the issuer's bankruptcy. Our work also included review of document production, consultation with experts, negotiations in settlement mediation, settlement, and advocacy of the proposed settlement in district court and on appeal. This securities class action resulted in a total recovery of $455 million for the class.

- *In re AT&T Wireless Tracking Stock Securities Litigation*, No. 00-cv-8754 (S.D.N.Y. 2006). We acted as sole lead counsel to the Soft Drink & Brewery Workers Local 812 Retirement Fund, a Taft-Hartley pension fund, and a class of investors in connection with *In re AT&T Corp. Securities Litigation*. The class was comprised of investors who purchased AT&T Wireless tracking stock in an April 26, 2000 initial public offering and through May 1, 2000 on the open market. The action asserted that the prospectus and registration statement used for the IPO misled investors about AT&T's prospects and recent results. Our work in this case included: drafting and oversight of pleadings and briefs; arguing motions for *inter alia,* lead plaintiff appointment, dismissal, class certification, expert and evidence disqualifications, and assorted motions relating to discovery disputes; propounding and responding to discovery requests; review of document production; and taking and defending of over one hundred depositions. KM succeeded in procuring a settlement of $150 million for the class on the eve of trial, following extensive trial preparation.

- *Rite Aid Corp.* (E.D. Pa. 2005). We represented a group of investment funds that lost more than $10 million in Rite Aid common stock and debt transactions in connection with an individual action, *Argent Classic v. Rite Aid*. Although an investor class action was already underway, KM filed the individual action on the belief that our clients could realize greater *pro rata* recovery on their multi-million dollar losses through an individual action than through a class action, where classwide damages were in the billions of dollars (and likely exceeded the ability of Rite Aid to pay). KM's clients were able to assert claims under Section 18 of the 1934 Act, which many courts hold cannot be asserted on a classwide basis. The class action eventually settled for less than 10¢ on the dollar. Thereafter, with the stay lifted, KM defeated defendants' motion to dismiss the individual action, and the parties agreed to mediate the claims. KM ultimately settled the claims of their institutional clients. Although confidentiality agreements entered in connection with the settlement prevent disclosure of terms, the settlement provided our clients with a percentage recovery which the clients found very satisfactory and which vindicated the decision to pursue an individual claim.

CURRICULA VITAE

Roger W. Kirby is Of Counsel to the firm. He has written several articles on litigation, the Federal Rules of Civil Procedure and Federal Rules of Evidence that have been published by various reporters and journals, and has been on the board of editors of Class Action Reports. He has also lectured on aspects of securities litigation to various professional organizations in the United States and abroad. Mr. Kirby has enjoyed considerable success as a trial attorney, and cases for which he has had primary responsibility have produced landmark decisions in the fields of securities law, corporate governance, and deceptive advertising.

Some of Mr. Kirby's relevant work includes:

- Representation of a putative class of initial public offerors in *Cordes & Company Financial Services v A.G. Edwards & Sons, Inc*. On appeal to the Court of Appeals for the Second Circuit, the court reversed the decision below, and held that assignees may be class representatives. It also clarified the meaning of antitrust injury;

- Representation of an objector to the settlement in *Reynolds v. Beneficial National Bank* in the United States Northern District Court for the District of Illinois. Mr. Kirby and KM persuaded the Court of Appeals for the Seventh Circuit and ultimately the district court to overturn the settlement, and were then appointed co-lead counsel to the class. Mr. Kirby and KM were lauded by the presiding judge for their "intelligence and hard work," and for obtaining "an excellent result for the class.";

- Representation, as lead counsel, of a class of investors in *Gerber v. Computer Associates International, Inc.*, a securities class action that resulted in a multimillion dollar recovery jury verdict that was upheld on appeal; and

- Representation, as lead counsel, of purchasers of PRIDES securities in connection with the Cendant Corporation accounting fraud. Mr. Kirby was instrumental in securing an approximate $350 million settlement for the class – an unprecedented 100 percent recovery.

Mr. Kirby is admitted to the New York State Bar, the United States District Courts for the Southern, Northern and Eastern Districts of New York, the United States Courts of Appeals for the First, Second, Third, Fifth, Seventh, Eighth, Ninth, and Eleventh Circuits, the United States District Court, District of Connecticut, and the United States Supreme Court. He attended Stanford University & Columbia College (B.A.) and Columbia University School of Law (J.D.) where he was an International Fellow. He also attended The Hague Academy of International Law (Cert. D'Att.). Thereafter, he was law clerk to the late Honorable Hugh H. Bownes, United States District Court for New Hampshire, and the United States Court of Appeals for the First Circuit. He recently authored *Access to United States Courts By Purchasers Of Foreign Listed Securities In The Aftermath of Morrison v. National Australia Bank Ltd.*, 7 Hastings Bus. L.J. 223 (Summer 2011). Mr. Kirby is a visiting Law Fellow at the University of Oxford, St. Hilda's College, Oxford, U.K. Mr. Kirby is conversant in French and Italian.

Alice McInerney is Of Counsel to the firm and practices out of our New York office. She focuses on antitrust and consumer matters, and also handles securities class actions. Ms. McInerney joined the firm in 1995 and has over 30 years of experience as an attorney.

Prior to joining KM, Ms. McInerney was Chief of the Investor Protection Bureau and Deputy Chief of the Antitrust Bureau of the New York Attorney General's office. While there, she chaired the Enforcement Section of the North American Securities Administrators Association and also chaired the Multi-State Task Force on Investigations for the National Association of Attorneys General. Alice is also a member of the National Association of Public Pension Attorneys (NAPPA).

Some of Ms. McInerney's relevant work includes:

- Representation, as lead and co-lead counsel, of consumer classes in antitrust cases against Microsoft. These litigations resulted in settlements totaling nearly a billion dollars for consumers in Florida, New York, Tennessee, West Virginia and Minnesota;

- Representation of a class of retailers in *In re Visa Check/Master Money Antitrust Litigation*, an antitrust case which resulted in a settlement of over $3 billion for the class;

- Representation of public entities in connection with ongoing Medicaid fraud and false claims act litigations arising from health expenditures of these state and local governmental entities; and

- Representation of California homeowners in litigation arising from mortgage repayment irregularities. Litigation resulted in settlements that afforded millions of California homeowners clear title to their property. The cases resulted in the notable decision *Bartold v. Glendale Federal Bank*.

Ms. McInerney is admitted to the New York State Bar, all United States District Courts for the State of New York, the United States Court of Appeals for the Second Circuit and the United States Supreme Court. She graduated from Smith College (B.A. 1970) and Hofstra School of Law (J.D. 1976).

David Bishop is a partner practicing out of our New York office, where he coordinates domestic client and government relations. Mr. Bishop joined the firm in 2006 following a distinguished career in local government. Mr. Bishop was elected to the Suffolk County Legislature in 1993 while still attending Fordham Law School. There he served in several leadership capacities, including Democratic Party Leader, Chairman of Public Safety and Chairman of Environment. His legislative record earned him recognition from the Nature Conservancy, the Child Care Council and the Long Island Federation of Labor. As an attorney in private practice, Mr. Bishop has litigated numerous NASD arbitrations on behalf of claimants.

Recent cases in which Mr. Bishop has been involved include:

- Representation of the NY State Common Retirement Fund as lead plaintiff in *In re National City Corporation Securities, Derivative & ERISA Litigation,* a securities class action arising from National City's alleged misrepresentations regarding exposure to subprime mortgage related losses. This case recently resulted in a settlement of $168 million;

- Representation, as lead counsel, of classes of consumers harmed by price fixing in the LCD flat panel and SRAM markets;

- Representation of a union pension fund as lead plaintiff in *In re Moody's Corporation Securities Litigation*, a securities class action arising from Moody's misrepresentation about and in the course of its rating of mortgage-related securities. Classwide losses are estimated to be in the billions; and

- Representation, as co-lead counsel, of an investor class led by an individual investor in *Lapin v. Goldman Sachs*, a securities class action against Goldman Sachs. This litigation resulted in a recovery of $29 million for the class.

Mr. Bishop is admitted to the New York State Bar and the United States District Court for the Eastern and Southern Districts of New York. He is a member of the Public Investors Arbitration Bar Association and of the New York City Bar Association. He graduated from American University (B.A., 1987) and from Fordham University (J.D., 1993).

Randall M. Fox is a partner in our New York office, focusing on whistleblower, antitrust and consumer fraud matters. Mr. Fox joined the firm in 2014 after having served as the founding Bureau Chief of New York Attorney General's Taxpayer Protection Bureau. The Bureau handles claims that the government was defrauded, including claims brought by whistleblowers. Before being promoted to Bureau Chief, Mr. Fox was a Special Assistant Attorney General in the New York Attorney General's Medicaid Fraud Control Unit, where he handled cases involving healthcare fraud.

Recent cases handled or supervised by Mr. Fox at the Attorney General's Office include:

- Pursued $400 million False Claims Act claims raised by a whistleblower against Sprint Corporation for knowingly failing to pay New York State and local sales taxes on its monthly flat-rate charges for cell phone service. This case is ongoing;

- Represented New York in its first government initiated False Claims Act case, pursuing Medicaid claims against pharmaceutical giant Merck & Co. alleging that the government was defrauded in paying for Merck's pain drug Vioxx. The case settled on a nationwide basis for $980 million, with over $60 million going to New York;

- Pursued investigations into food services companies that had kept rebates rather than passing them along to schools and other public institutions as required by their contracts and regulations. Settled for nearly $20 million;

- Co-led team of states that participated in $11 million settlement of False Claims Act allegations that technology company CA, Inc. falsely overcharged governmental customers for service plans;

- Pursued False Claims Act allegations on behalf of a whistleblower against a medical imaging company for failing to pay New York corporate income taxes while conducting substantial business in the State. Settled for $6.2 million;

- Pursued claims on behalf of a whistleblower against Mohan's Custom Tailors for knowingly failing to pay sales taxes that were nevertheless collected from customers. The resolution included a plea to criminal charges and an agreement to jail time. This case settled for $5.5 million ; and

- Settled claims against an accounting firm for falsely certifying a substance abuse clinic's inflated claims for Medicaid payments.

Before joining the New York Attorney General's Office in 2007, Mr. Fox was a partner at the law firm of LeBoeuf, Lamb, Greene & MacRae, LLP, where his practice focused on class actions, commercial disputes, and securities and consumer fraud actions. Mr. Fox is admitted to the New York State bar, the United States District Courts for the Southern and Eastern Districts of New York, the United States Court of Appeals for the Second, Third, Eighth and Ninth Circuits, and the United States Tax Court. He graduated from Williams College (B.A., 1988), and New York University School of Law (J.D., 1991).

Daniel Hume is a partner in our New York office and is a member of the firm's management committee. Mr. Hume's practice focuses on securities, structured finance, and antitrust litigation. He joined the firm in 1995 and has helped to recover billions of dollars for corporate consumers, individual consumers, and institutional investors throughout the course of his career.

Some of Mr. Hume's relevant work includes:

- Representation, as lead counsel, of a group of Singapore-based investors in a class action lawsuit against Morgan Stanley pertaining to $154.7 million of notes issued by Cayman Islands-registered Pinnacle Performance Ltd. Plaintiffs allege that Morgan Stanley engineered the Pinnacle Notes, which it marketed as a safe and conservative investment, to fail, investing the money into synthetic collateralized debt obligations linked to risky companies including subprime mortgage lenders and Icelandic banks, while actively shorting the same assets and betting against their clients;

- Representation, as lead counsel, of the investor class in *In re AT&T Wireless Tracking Stock Securities Litigation*, a securities class action which resulted in recovery of $150 million for the class;

- Representation, as a lead counsel, of a union pension fund as lead plaintiff in *In re Moody's Corporation Securities Litigation*, a securities class action arising from Moody's misrepresentation about and in the course of its rating of mortgage-related securities. Classwide losses are estimated to be in the billions; and

- Representation, as a lead counsel, of consumer classes in connection with antitrust proceedings against Microsoft in the United States and Canada. So far, these litigations have resulted in settlements totaling nearly a billion dollars for consumers in Florida, New York, Tennessee, West Virginia and Minnesota, where the litigation proceeded to trial.

Mr. Hume is admitted to the New York State Bar and federal courts around the country, including the United States District Courts for the Southern and Eastern Districts of New York, the United States Court of Appeals for the Second, Fourth, and Fifth Circuits, the Appellate Division of the Supreme Court of the State of New York, First Judicial Department, and the United States Supreme Court. He graduated from the State University of New York at Albany *magna cum laude* (B.A. Philosophy, 1988) and from Columbia Law School, where he served as Notes Editor for the Columbia Journal of Environmental Law (J.D., 1991).

David E. Kovel is a partner based in our New York office focusing on whistleblower, antitrust, commodities, securities and corporate governance matters. Mr. Kovel joined the firm in 2004.

Recent cases in which Mr. Kovel has been involved include:

- Representation, as co-lead counsel, of exchange-based investors in futures, swaps, and other Libor-based derivative products, alleging that defendant banks colluded to misreport and manipulate Libor rates;

- Representation, as counsel for lead plaintiff and other share holders in a derivative action brought against members of the Board of Directors and senior executives of Pfizer, Inc. Plaintiffs made a breach of fiduciary duty claim because defendants allegedly allowed unlawful promotion of drugs to continue even after receiving numerous "red flags" that the improper drug marketing was systemic. Pfizer agreed to pay a proposed settlement of $75 million and to make groundbreaking changes to the Board's oversight of regulatory matters;

- Representation of purchasers of pharmaceutical drugs claiming to have been harmed by Branded manufacturers who fraudulently extended patent or other regulation monopolies;

- Representation, as a lead counsel, of a class of New York State consumers in connection with antitrust proceedings against Microsoft;

- Representation, as lead counsel, of a class of gasoline purchasers in California in connection with Unocal, Inc.'s manipulation of the standard-setting process for gasoline. The litigation resulted in a $48 million recovery for the class;

- Representation of propane purchasers who were harmed by BP America's manipulation of the physical propane market; and

- Representation of various whistleblowers who claim that their companies have defrauded the United States Government or other state and city governments.

Mr. Kovel is admitted to the New York State Bar, the United States District Courts for the Southern, Eastern, and Western Districts of New York, the United States Court of Appeals for the First Circuit, and the Connecticut State Bar. He is a member of the New York City Bar Association Committee on Futures and Derivatives Regulation, and is a former member of the New York City Bar Association Antitrust Committee. He graduated from Yale University (B.A.), Columbia University School of Law (J.D.) and Columbia University Graduate School of Business (M.B.A.). He is fluent in Spanish.

Mr. Kovel traded commodities for several years before attending law school. Prior to joining KM, Mr. Kovel practiced at Simpson Thacher & Bartlett LLP.

Peter S. Linden is a partner in our New York office and is a member of the firm's management committee. Mr. Linden's practice concentrates on securities, commercial, and healthcare fraud litigation. He joined the firm in 1990 and provides advisory services to government pension funds and other institutional investors as well as to corporate and individual consumers. He has been appointed a Special Assistant Attorney General for the State of Michigan and is a member of the National Association of Public Pension Plan Attorneys.

Mr. Linden has obtained numerous outstanding recoveries for investors and consumers during his career. His advocacy has also resulted in many notable decisions, including in *In re Matsushita Securities Litigation*, which granted partial summary judgment under § 14(d)(7) of the Securities Exchange Act, and *In re Ebay Inc. Shareholders Litigation*, which found that investment banking advisors could be held liable for aiding and abetting insiders' acceptance of IPO allocations through "spinning".

Some of Mr. Linden's relevant experience includes:

- Representation, as lead counsel, of the lead plaintiff in *In re Citigroup Inc Securities Litigation,* a class action arising out of Citigroup's alleged misrepresentations regarding their exposure to losses associated with numerous collateralized debt obligations. This case recently settled for $590 million;

- Representation of the City of New York and 43 New York counties in federal Medicaid fraud actions. KM has settled or reached agreements in principle with all defendants in these matters. We have recovered over $225 million for the New York and Iowa Medicaid programs;

- Representation, as co-lead counsel, of an investor class and an institutional plaintiff in *In re BISYS Securities Litigation*, a class action arising out of alleged accounting improprieties and which resulted in a $65 million recovery for the class;

- Serving as Chairman of the Plaintiffs' Steering Committee in *In re MCI Non-Subscriber Litigation*, a consumer class action which resulted in an approximately $90 million recovery for the class; and

- In *Reynolds v. Beneficial National Bank,* Mr. Linden and KM successfully persuaded the 7th Circuit U.S. Court of Appeals and ultimately the district court to overturn a questionable settlement, and were then appointed co-lead counsel to the class. Mr. Linden and KM were lauded by the district judge for their "intelligence and hard work," and for obtaining "an excellent result for the class."

Mr. Linden is admitted to the New York State Bar, the United States Courts of Appeals for the Second, Third, Sixth, Eighth, and Tenth Circuits, and the U.S. District Courts for the Eastern and Southern Districts of New York, the Eastern District of Michigan, and the District of Colorado. He graduated from the State University of New York at Stony Brook (B.A., 1980) and the Boston University School of Law (J.D., 1984).

Prior to joining KM, Mr. Linden worked as an assistant district attorney in the Kings County District Attorney's Office from 1984 through October, 1990 where he served as a supervising attorney of the Office's Economic Crimes Bureau.

Andrew M. McNeela is a partner in our New York office focusing on securities and structured finance litigation. Mr. McNeela joined the firm in 2008.

Some of Mr. McNeela's relevant work includes:

- Representation of the New York City Pension Funds as lead plaintiff in a class action against Wachovia Corporation arising from Wachovia's alleged misrepresentations of their exposure to the subprime market. This case recently resulted in a settlement of $75 million;

- Representation of the NY State Common Retirement Fund as lead plaintiff in *In re National City Corporation Securities, Derivative & ERISA Litigation*, a securities class action arising from National City's alleged misrepresentations regarding exposure to subprime mortgage related losses. This case recently resulted in a settlement of $168 million;

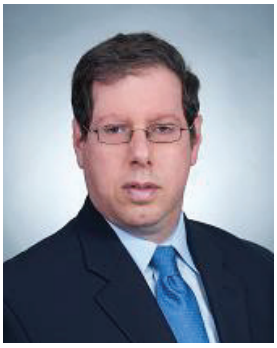
- Representation, as lead counsel, of a group of Singapore-based investors in a class action lawsuit against Morgan Stanley pertaining to $154.7 million of notes issued by Cayman Islands-registered Pinnacle Performance Ltd. Plaintiffs allege that Morgan Stanley engineered the Pinnacle Notes, which it marketed as a safe and conservative investment, to fail, investing the money into synthetic collateralized debt obligations linked to risky companies including subprime mortgage lenders and Icelandic banks, while actively shorting the same assets and betting against their clients;

- Representation, as lead counsel, in the securities class action *In Re Herley Industries Inc. Securities Litigation* on behalf of investors. This litigation resulted in a recovery of $10 million for the class; and

- Representation, as lead counsel, of investors in Goldman Sachs common stock in a securities class action case pertaining to Goldman's alleged instruction to their research analysts to favor procurement of investment banking deals over accuracy in their research. Disclosure caused Goldman Sachs' stock to decline materially. This litigation resulted in a recovery of $29 million for the class.

Immediately prior to joining KM, Mr. McNeela served as an Assistant United States Attorney in the Civil Division of the United States Attorney's Office for the Southern District of New York. In this capacity, he represented the United States in a wide array of civil litigation. Mr. McNeela has argued over twenty cases before the United States Court of Appeals for the Second Circuit. In 2013, he was named one of the top attorneys under 40 by Law360's Rising Stars.

Mr. McNeela is admitted to the New York State Bar, the United States Court of Appeals for the Second Circuit, and the United States District Courts for the Southern and Eastern Districts of New York. He is a member of the New York American Inn of Court. He graduated from Washington University (B.A., 1995) and from Hofstra University School of Law (J.D., 1998, *cum laude*), where he was a member of the Law Review.



Ira M. Press is a partner in our New York office and is a member of the firm's management committee. Mr. Press's practice focuses on securities and consumer litigation. He joined the firm in 1993, and currently leads the firm's institutional investor monitoring program. In this capacity, he has provided advisory services to numerous government pension funds and other institutional investors. He has authored articles on securities law topics and has lectured to audiences of attorneys, experts and institutional investor fiduciaries.

Mr. Press' advocacy has resulted in several landmark appellate decisions, including *Rothman v. Gregor*, the first ever appellate reversal of a lower court's dismissal of a securities class action suit pursuant to the 1995 Private Securities Litigation Reform Act.

Some of Mr. Press' relevant experience includes:

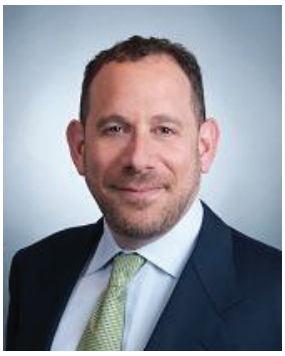
- Representation of the NY State Common Retirement Fund as lead plaintiff in *In re National City Corporation Securities, Derivative & ERISA Litigation,* a securities class action arising from National City's alleged misrepresentations regarding exposure to subprime mortgage related losses. This case recently resulted in a settlement of $168 million;

- Representation of the New York City Pension Funds as lead plaintiff in a class action against Wachovia Corporation arising from Wachovia's alleged misrepresentations of their exposure to the subprime market. This case recently resulted in a settlement of $75 million;

- Representation of the lead plaintiff in *In re Citigroup Inc Securities Litigation,* a class action arising out of Citigroup's alleged misrepresentations regarding their exposure to losses associated with numerous collateralized debt obligations. This case recently settled for $590 million; and

- Representation, as lead counsel, of investors in Goldman Sachs common stock in a securities class action case pertaining to Goldman's alleged instruction to their research analysts to favor procurement of investment banking deals over accuracy in their research. Disclosure caused Goldman Sachs' stock to decline materially. This case recently resulted in a $29 million recovery for the class.

Mr. Press is admitted to the New York State Bar, the United States Courts of Appeals for the Second, Third, Fourth, Fifth, Sixth, Eighth, Ninth, and Tenth Circuits, and the United States District Courts for the Eastern and Southern Districts of New York. He graduated from Yeshiva University magna cum laude (B.A., 1986) and from New York University Law School (J.D., 1989).



Mark Strauss is a partner in our New York office. He concentrates his practice in complex commercial litigation with an emphasis on prosecuting securities, shareholder and consumer class actions, shareholder derivative actions, and whistleblower cases. He has also represented victims of Ponzi schemes, illegal price-fixing, and improper cutbacks in pension benefits. Mr. Strauss has litigated cases throughout the country, and represented aggrieved plaintiffs in Federal and State Court.

Some of Mr. Strauss' relevant work includes significant roles in the following litigations:

- Representation of a whistleblower in a False Claims Act/*Qui Tam* lawsuit against Hong-Kong based manufacturer Noble Jewelry, which was accused of fraudulently avoiding U.S. customs duties in connection with goods imported into the United States. The action resulted in a recovery of $3.85 million on behalf of the taxpayers, of which the whistleblower will receive approximately 19%;

- Representation, as co-lead counsel, of a multinational bank as lead plaintiff in *In re Adelphia Communications Corp. Securities & Deriv. Litig.*, a securities class action which resulted in a total recovery of $460 million for the class;

- Representation, as co-lead counsel, of a class of hedge fund investors in *Cromer Finance v. Berger et al.*, a securities class action which resulted in a total recovery of $65 million, and one of the largest ever recoveries against a non-auditor third party service provider;

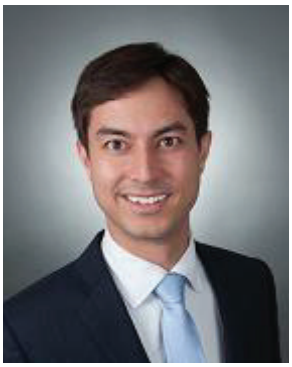
- Representation, as lead counsel, of a class of investors in a hedge fund, Lipper Convertibles, L.P., which fraudulently overstated its investment performance, in *In re Serino v. Lipper et al.* This litigation is resulted in a $29.9 million recovery for the class;

- Representation, as lead counsel, of a class of bond investors in Amazon.com in *Argent Classic Convertible Arbitrage Fund v. Amazon.com*, a securities class action which resulted in a total recovery of $20 million for the class; and

- Representation, as lead counsel, of a class of purchasers of debt securities issued by Owens Corning in *In re Owens Corning, et. Al.*, a securities class action filed against Owens Corning Inc., certain of its officers and directors and the underwriters of the relevant debt securities in connection with alleged securities fraud. This litigation resulted in a $19.25 million recovery for the class.

Mr. Strauss is admitted to the New York State Bar, the California State Bar, and the United States District Courts for the Eastern and Southern Districts of New York, and the Northern, Eastern, Southern and Central Districts of California. He graduated from Cornell University (B.A., 1987) and from Fordham University School of Law, where he was Associate Editor of the Law Review (J.D., 1993).

Prior to joining Kirby McInerney, Mr. Strauss practiced at Christy & Viener, LLP and Cahill Gordon & Reindel LLP where he focused on complex commercial litigation.



Christopher S. Studebaker is a partner in our New York office focusing on antitrust, structured finance, and securities litigation. Mr. Studebaker joined the firm in 2007.

Recent cases on which Mr. Studebaker has worked include:

- Representation of the State of Michigan in a lawsuit filed in Michigan State Court against McKesson Corporation, Hearst Corporation, and First DataBank. The case alleges that each defendant caused false claims to be submitted to the Michigan Medicaid program, and the overpayment of Medicaid pharmacy claims;

- Representation, as lead counsel, of a group of Singapore-based investors in a class action lawsuit against Morgan Stanley pertaining to $154.7 million of notes issued by Cayman Islands-registered Pinnacle Performance Ltd. Plaintiffs allege that Morgan Stanley engineered the Pinnacle Notes, which it marketed as a safe and conservative investment, to fail, investing the money into synthetic collateralized debt obligations linked to risky companies including subprime mortgage lenders and Icelandic banks, while actively shorting the same assets and betting against their clients;

- Representation, as lead counsel, in *In Re Herley Industries Inc. Securities Litigation* on behalf of investors. This litigation resulted in a recovery of $10 million;

- Representation of direct purchasers against Becton Dickinson for alleged monopolization of the hypodermic syringe market. This litigation is ongoing;

- Representation of California consumers against Intel for alleged monopolization of the X86 microprocessor chip market. This litigation is ongoing; and

- Representation of consumers against TFT-LCD manufacturers for alleged price-fixing of the TFT-LCD market. This litigation is ongoing.

Before joining the firm, Mr. Studebaker worked as an associate with an antitrust and consumer protection boutique, and served at the U.S. Department of Commerce. Prior to attending law school, Mr. Studebaker worked and studied in Japan.

Mr. Studebaker is admitted to the New York State Bar, the Washington State Bar, the United States District Court for the Southern District of New York, and the United States Court of Appeals for the Second Circuit. He is a member of the Asian American Bar Association of New York. Mr. Studebaker graduated from Georgetown University (B.S.F.S., 1997, *cum laude*), Waseda University (M.A., 2001), and University of Kansas (J.D., 2004), where he was Managing Editor of the Journal of Law & Public Policy. He is fluent in Japanese.

J. Brandon Walker is a partner based in our New York office focusing on securities litigation. Mr. Walker joined the firm in 2012.

Some cases in which Mr. Walker is currently involved include:

- Representation, as co-lead counsel, of exchange-based investors in futures, swaps, and other LIBOR-based derivative products, alleging that defendant banks colluded to misreport and manipulate LIBOR rates;

- Representation of several European investment managers in individual securities fraud actions against BP plc related to the *Deepwater Horizon* explosion on April 20, 2010 and the subsequent drop in BP's share price;

- Representation, as co-lead counsel, of a class of Zale Corporation investors challenging the proposed acquisition of Zale by Signet Jewelers;

- Representation, as lead counsel, of a class of NTS, Inc. investors challenging the proposed acquisition of NTS by affiliates of the private equity firm Tower Three Partners LLC;

- Representation, as co-lead counsel, of a class of Cornerstone Therapeutics, Inc. investors challenging the proposed acquisition of Cornerstone by Chiesi Farmaceutici S.p.A.;

- Representation, as lead counsel, of an asset manager in a securities class action against Omnicare related to whistleblower allegations that the Company has committed Medicare and Medicaid fraud; and

- Representation, as lead counsel, of an asset manager in a securities class action against Eaton Corporation. The lawsuit alleges that Eaton issued false and misleading statements concerning its executives' involvement in a scheme to improperly influence a Mississippi state court judge.

Prior to joining KM, Mr. Walker practiced at Motley Rice LLC, where his work focused on complex securities fraud class actions, merger and acquisition cases, and shareholder derivative suits. Mr. Walker represented private investors, public pension funds, banks, unions and other institutional investors in numerous cases, including: *In re Allion Healthcare Inc. Shareholders Litigation*; *In re Alberto Culver Company Shareholder Litigation*; *In re Atheros Communications, Inc. Shareholder Litigation*; *In re Coca-Cola Enterprises, Inc., Shareholders Litigation*; *Cornwell v. Credit Suisse Group, et al*; *Erste-Sparinvest KAG v. Netezza Corp., et al.*; *In re Force Protection Derivative Litigation*; *Hill v. State Street Corporation*; *Manville v. Omnicare, et al.*; *In re Regions Financial Corp. Derivative Litigation*; and *In re RehabCare Group, Inc., Shareholders Litigation.*

Mr. Walker is admitted to the New York State Bar, the South Carolina Bar, the United States Courts of Appeals for the First, Second, and Sixth Circuits, and the United States District Courts for the Eastern and Southern Districts of New York. He graduated from New York University (B.A., 2003), from Wake Forest University Graduate School of Management (M.B.A., 2008) and from Wake Forest University School of Law (J.D., 2008).

Robert J. Gralewski, Jr. is a partner based in our California office. Mr. Gralewski focuses on antitrust and consumer litigation and has been involved in the fields of complex litigation and class actions for over 15 years. Throughout the course of his career, Mr. Gralewski has prosecuted a wide variety of federal and state court price-fixing, monopoly and unfair business practice actions against multinational companies, major corporations, large banks, and credit card companies.

Some of Mr. Gralewski's relevant work includes:

- Representation of businesses and consumers in indirect purchaser class actions throughout the country against Microsoft for overcharging for its products as a result of its unlawful monopoly. Mr. Gralewski was a member of the trial teams in the Minnesota and Iowa actions (the only two Microsoft class actions to go to trial) which both settled in plaintiffs' favor after months of hard-fought jury trials. The Microsoft cases in which Mr. Gralewski was involved in ultimately settled for more than $2 billion in the aggregate;

- Representation of businesses and consumers of thin-film transistor liquid crystal display (TFT-LCD) products who were harmed by an alleged price-fixing conspiracy among TFT-LCD manufacturers; and

- Representation of businesses and consumers in an indirect purchaser class action against various manufacturers of SRAM, alleging that defendants engaged in a conspiracy to fix prices in the SRAM market.

Mr. Gralewski is a member of the California State Bar and is admitted to practice in state and all federal courts in California as well as several federal courts throughout the country. He graduated from Princeton University (B.A., 1991) and *cum laude* from California Western School of Law (J.D., 1997).

Randall K. Berger is Of Counsel to the firm and practices out of our New York office. He joined the firm in 1994. Mr. Berger focuses on commercial arbitration, antitrust, whistleblower and unclaimed property litigation. In whistleblower cases, fraud against Federal and State governments is exposed by persons having unique knowledge of the circumstances surrounding the fraud. The whistleblowers are often compensated from any recovery and the cases are generally litigated under seal.

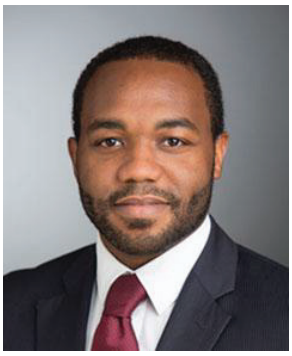
Mr. Berger is a certified arbitrator for FINRA (the Financial Industry Regulatory Authority). The arbitration panels where Mr. Berger serves are used to resolve disputes between investors and broker dealers or registered representatives, and to resolve intra-industry conflicts.

Some of Mr. Berger's relevant work includes:

- Representation of municipal issuers of Auction Rate Securities in FINRA arbitrations against underwriters alleging misrepresentation and breach of fiduciary duty;
- Representation of State Treasurers in litigation against the Federal government to recover unclaimed U.S. savings bond proceeds;
- Antitrust litigation against the 27 largest investment banks in the United States in connection with alleged price fixing in the market for the underwriting of initial public stock offerings; and
- Representation, as co-lead counsel, of investors in Ponzi scheme instruments issued by the now-bankrupt Bennett Funding Group in a class action which resulted in a recovery of $169.5 million for the class.

Mr. Berger is admitted to the New York State Bar, the United States District Courts for the Southern, Eastern and Northern Districts of New York and the District of Colorado. He graduated from Iowa State University (B.S., 1985) and from the University of Chicago (J.D., 1992).

Prior to attending law school and joining KM, Mr. Berger was an associate with the law firm Winston & Strawn, and before that, a consultant with the Management Information Consulting Division of Arthur Andersen & Co.



Will Harris is Of Counsel to the firm. He focuses on antitrust and consumer litigation.

Some of Mr. Harris's relevant work includes:

- Representation of direct purchasers in a class action against the manufacturers of drywall in *In re Domestic Drywall Antitrust Litigation*. The defendants allegedly unlawfully conspired to artificially inflate the prices of drywall in the U.S.;
- Representation of businesses and consumers of thin-film transistor liquid crystal display (TFT-LCD) products who were harmed by an alleged price-fixing conspiracy among TFT-LCD manufacturers; and
- Representation of businesses and consumers in an indirect purchaser class action against various manufacturers of SRAM, alleging that defendants engaged in a conspiracy to fix prices in the SRAM market.

Mr. Harris is admitted to the New York State Bar and the United States District Court for the Southern District of New York. He graduated from The College of William & Mary (B.A. 2001) and Washington and Lee University School of Law (J.D. 2005).

Prior to joining KM, Mr. Harris was an associate with the law firm Gergosian & Gralewski, and before that, he worked as a contract attorney with KM in connection with the firm's Microsoft litigation, which ultimately settled for more than $2 billion in the aggregate.

Sawa Nagano is Of Counsel to the firm. She focuses on the representation of clients in relation to price-fixing litigation under the Sherman Antitrust Act and other federal and state laws to recover overcharges caused by international price-fixing cartels. Ms. Nagano joined the firm in 2013.

Recent cases on which Ms. Nagano has worked include:

- Representation of an end-user class of businesses and consumers in connection with *In Re: Cathode Ray Tube (CRT) Antitrust Litigation.* In this case, the manufacturers of cathode ray tubes conspired to fix, raise, maintain and/or stabilize prices. Because of Defendants' alleged unlawful conduct, Plaintiffs and other Class Members paid artificially inflated prices for CRT Products and have suffered financial harm.

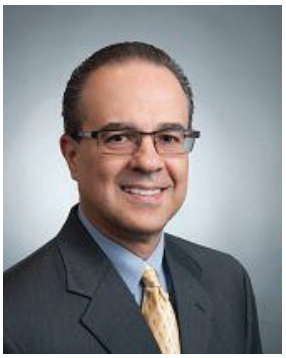
Prior to joining KM, Ms. Nagano worked with the law firms of both Orrick, Herrington, and Sutcliffe LLP and Crowell and Morning LLP, where she assisted in the investigation of conspiracies to engage in price-fixing and anticompetitive practices by manufacturers and multinational conglomerates, and she represented cable operators on matters arising before the Federal Communications Commission as well as in their relations with local and state franchising authorities. She also worked for the New York bureau of a major Japanese television network. Additionally, she interned with the Office of Commissioner Furchtgott-Roth at the Federal Communications Commission and worked as a student counsel at the Art, Sports and Entertainment Law Clinic of the Dickinson School of Law of the Pennsylvania State University.

Ms. Nagano is admitted to the New York State Bar, the New Jersey State Bar, the Bar of the District of Columbia, and the United States District Courts for the Southern District of New York and the District of New Jersey. She graduated from Sophia University in Tokyo, Japan (B.A., 1989), New York University (M.A., 1992), and The Dickinson School of Law of the Pennsylvania State University (J.D., 2000). She is fluent in Japanese.

Lauren Wagner Pederson is Of Counsel to the firm and works on securities litigation matters. She launched her legal career after working in sales and marketing for Fortune 500 companies such as Colgate-Palmolive Company.

Over the last 10 years, Ms. Pederson has represented individuals and institutional investors in many high profile securities class actions, and has served as counsel to public pension funds, shareholders and companies in a broad range of complex corporate securities and corporate governance litigation. In addition, Ms. Pederson has litigated accounting and legal malpractice actions and recently recovered a judgment in Delaware federal court on behalf of Trust Company of the West in a legal malpractice action arising out of an international private equity transaction. She also has successfully argued and defended appeals before the Court of Appeals for the Eleventh Circuit and has represented individuals and companies in securities arbitrations before the NASD and New York Stock Exchange. Currently, Ms. Pederson is involved in the firm's cases related to the subprime mortgage crisis, including *In re Citigroup Inc Securities Litigation*.

Ms. Pederson also is a certified mediator and a member of the State Bars of New York, Delaware, Maryland, Georgia, Alabama and the Commonwealth of Pennsylvania and is admitted to practice in numerous federal courts, including the Second, Tenth and Eleventh Circuit Courts of Appeals and the Southern District of New York. She also has been an Adjunct Professor of Law at the Widener University School of Law in Wilmington, Delaware, teaching a securities litigation seminar. Ms. Pederson received her B.S. degree in Business Administration from Auburn University, and earned her J.D., *summa cum laude*, from the Cumberland School of Law where she was Associate Editor of the Cumberland Law Review. Lauren served as Law Clerk to the Honorable Joel F. Dubina for the United States Court of Appeals for the Eleventh Circuit and currently is enrolled at Georgetown University Law Center in the Securities and Financial Regulation LL.M. program.



Henry Telias is Of Counsel to the firm and practices out of our New York office, focusing on accountants' liability and securities litigation. Mr. Telias joined the firm in 1997.

In addition to his legal work, Mr. Telias is the firm's chief forensic accountant. He holds the CFF credential (Certified in Financial Forensics) and the PFS credential (Personal Financial Specialist) from the American Institute of Certified Public Accountants. Mr. Telias received his CPA license from New York State in 1982. Prior to practicing as an attorney, he practiced exclusively as a certified public accountant from 1982 to 1989, including 3 years in the audit and tax departments of Deloitte Haskins & Sells' New York office.

Some of Mr. Telias' relevant experience includes:

- Representation of the lead plaintiff in *In re Citigroup Inc Securities Litigation,* a class action arising out of Citigroup's alleged misrepresentations regarding their exposure to losses associated with numerous collateralized debt obligations. This case recently settled for $590 million;

- Representation of the NY State Common Retirement Fund as lead plaintiff in *In re National City Corporation Securities, Derivative & ERISA Litigation,* a securities class action arising from National City's alleged misrepresentations regarding exposure to subprime mortgage related losses. This case recently resulted in a settlement of $168 million;

- Representation of the New York City Pension Funds as lead plaintiff in a class action against Wachovia Corporation arising from Wachovia's alleged misrepresentations of their exposure to the subprime market. This case recently resulted in a settlement of $75 million; and

- Representation, as lead counsel, of a certified class of purchasers of PRIDES securities in connection with the Cendant Corporation accounting fraud in *In re Cendant Corporation PRIDES Litigation.* This litigation resulted in an approximate $350 million settlement for the certified class – an unprecedented 100 percent recovery.

Mr. Telias is admitted to the New York State Bar and the United States District Court for the Southern District of New York. He graduated from Brooklyn College *cum laude* (B.S., 1980) and from Hofstra University School of Law (J.D., 1989).

Thomas W. Elrod is an associate based in our New York office focusing on securities and healthcare litigation. Mr. Elrod joined the firm in 2011.

Recent cases on which Mr. Elrod has worked include:

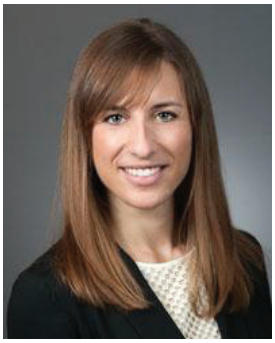
- *In re Citigroup Inc Securities Litigation,* a class action, in which Kirby McInerney served as lead counsel, arising out of Citigroup's alleged misrepresentations regarding their exposure to losses associated with numerous collateralized debt obligations. This case recently settled for $590 million;

- Representation, as co-lead counsel, of exchange-based investors in futures, swaps, and other Libor-based derivative products, alleging that defendant banks colluded to misreport and manipulate Libor Rates;

- Representation of a nationwide class of residential mortgage loan borrowers in Rothstein v. GMAC Mortgage LLC et al., a class action alleging that GMAC Mortgage extracted kickbacks from lender-placed insurers, Balboa Insurance Company and Meritplan Insurance Company, in violation of Racketeer Influence and Corrupt Organizations Act. This litigation is ongoing; and

- Representation of whistleblowers who claim that their companies have violated federal law or defrauded the United States Government.

Mr. Elrod is admitted to the New York State Bar, the New Jersey State Bar, the United States District Courts for the Southern and Eastern Districts of New York, and the United States Courts of Appeals for the 2nd and 9th Circuits. He graduated from the University of Chicago (B.A., 2005) and from the Boston University School of Law (J.D., 2009).



Melissa Fortunato is an associate based in our New York office focusing on securities, antitrust, and merger and acquisition litigation. Ms. Fortunato joined the firm in 2013.

Recent cases on which Ms. Fortunato has worked include:

- Representation, as co-lead counsel, of a class of Zale Corporation investors challenging the proposed acquisition of Zale by Signet Jewelers;

- Representation of several European investment managers in individual securities fraud actions against BP plc related to the *Deepwater Horizon* explosion on April 20, 2010 and the subsequent drop in BP's share price;

- Representation, as lead counsel, of a class of NTS, Inc. investors challenging the proposed acquisition of NTS by affiliates of the private equity firm Tower Three Partners LLC; and

- Representation, as co-lead counsel, of a class of Cornerstone Therapeutics, Inc. investors challenging the proposed acquisition of Cornerstone by Chiesi Farmaceutici S.p.A.

Ms. Fortunato is a member of the New York and New Jersey State Bars. She graduated from Georgetown University (B.S. 2004) and Pace University School of Law, *magna cum laude* (J.D., 2013). Prior to attending law school, Ms. Fortunato worked in the marketing and media business sectors.

Karina Kosharskyy is an associate based in our New York office focusing on securities and antitrust litigation. Ms. Kosharskyy joined the firm in 2005.

Recent cases on which Ms. Kosharskyy has worked include:

- Representation, as co-lead counsel, of exchange-based investors in futures, swaps, and other Libor-based derivative products, alleging that defendant banks colluded to misreport and manipulate Libor rates;

- Representation of an end-user class of businesses and consumers in connection with *In Re: Cathode Ray Tube (CRT) Antitrust Litigation.* In this case, the manufacturers of cathode ray tubes conspired to fix, raise, maintain and/or stabilize prices. Because of Defendants' alleged unlawful conduct, Plaintiffs and other Class Members paid artificially inflated prices for CRT Products and have suffered financial harm;

- Representation, as lead counsel, of a class of consumers in connection with *In re Reformulated Gasoline (RFG) Antitrust and Patent Litigation and Related Actions.* This case involves Unocal's manipulation of the standard-setting process for low-emissions reformulated gasoline in California, which increased retail prices of reformulated gasoline. The court recently approved a preliminary settlement of $48 million in this litigation; and

- Representation, as a lead counsel, of consumer classes in connection with antitrust proceedings against Microsoft. These litigations resulted in settlements totaling nearly a billion dollars for consumers in Florida, New York, Tennessee, West Virginia and Minnesota, where the litigation proceeded to trial.

Ms. Kosharskyy is admitted to the New York State Bar, the United States District Courts for the Southern and Eastern Districts of New York, the United States District Court for the District of New Jersey, and the New Jersey State Bar. She graduated from Boston University (B.A., 2000) and from New York Law School (J.D., 2007). She is fluent in Russian.

Anna Linetskaya is an associate based in our New York office focusing on securities and structured finance litigation. Ms. Linetskaya previously worked at the firm as a law clerk before joining the firm in August 2014.

As a law clerk, Ms. Linetskaya worked on a variety of matters including *In re Citigroup Inc. Securities Litigation, In re Libor-Based Financial Instruments Antitrust Litigation*, *Dandong v. Pinnacle Performance Limited*, and individual lawsuits against Morgan Stanley, Credit Agricole Corporate and Investment Bank, UBS, Deutsche Bank, Credit Suisse, Goldman Sachs, JP Morgan, and Barclays pertaining to a number of fraudulent structured investment vehicles and asset-backed collateralized debt obligations.

Ms. Linetskaya is awaiting admission to the New York State Bar and the New Jersey State Bar. Her practice is supervised by members of the State Bar of New York. Ms. Linetskaya graduated from King's College London, UK, where she was ranked amongst top 5% of the class and received a distinction in her major (B.S., 2010), and from Benjamin N. Cardozo School of Law *cum laude* with concentration in corporate law and litigation (J.D., 2014). She is fluent in Russian.

Ayako Mikuriya is a staff attorney based in our New York office, focusing on securities and structured finance litigation. Ms. Mikuriya joined the firm in 2013.

Recent cases on which Ms. Mikuriya has worked include:

- Securities and structured product litigations on behalf of clients across Asia.

Prior to joining KM, Ms. Mikuriya worked as a Vice President in the legal department of Nomura Holding America Inc. She has passed the qualification examination for Sales Representatives licensed by the Japan Securities Dealers Associations.

Ms. Mikuriya is admitted to the New York State Bar. She graduated from the Sophia University in Tokyo, Japan (B.A., 2003), and from Columbia University School of Law (LL.M., 2010). She is fluent in English and is a native speaker of Japanese.

Beverly Tse Mirza is an associate based in our New York office focusing on antitrust and securities litigation. Ms. Mirza joined the firm in 2004.

Recent cases on which Ms. Mirza has worked include:

- Representation, as lead counsel, of a class of consumers in connection with *In re Reformulated Gasoline (RFG) Antitrust and Patent Litigation and Related Actions.* This case involves Unocal's manipulation of the standard-setting process for low-emissions reformulated gasoline in California, which increased retail prices of reformulated gasoline. This litigation resulted in a $48 million recovery for the class;

- Representation, as co-lead counsel, of exchange-based investors in futures, swaps, and other Libor-based derivative products, alleging that defendant banks colluded to misreport and manipulate Libor rates;

- Representation, as one of the firms with primary responsibility for the case, of a class of purchasers of computers containing Intel's microprocessor chips in *Coordination Proceedings Special Title, Intel x86 Microprocessor Cases*. This litigation is ongoing;

- Representation, as executive committee member, of a class of retailers in *In re Chocolate Confectionary Antitrust Litigation,* alleging price fixing claims against a group of chocolate manufacturers in the United States and abroad;

- Representation of a union pension fund as lead plaintiff in *In re Moody's Corporation Securities Litigation*, a securities class action arising from Moody's misrepresentation about and in the course of its rating of mortgage-related securities. Classwide losses are estimated to be in the billions;

- Representation, as a lead counsel, of a class of sellers in *In re Ebay Seller Antitrust Litigation*, alleging monopolization claims against Ebay;

- Representation of an objector to the settlement in *Reynolds v. Beneficial National Bank* in the United States Northern District Court for the District of Illinois. Ms. Mirza and KM were lauded by the presiding judge for their "intelligence and hard work," and for obtaining "an excellent result for the class."

Ms. Mirza is admitted to the California State Bar and the United States District Courts for the Northern and Central Districts of California. Her practice is supervised by members of the State Bar of New York. She graduated from California State University of Los Angeles *magna cum laude* (B.S., 2000) and from California Western School of Law (J.D., 2004).

Meghan Summers Meghan Summers is an associate based in our New York office focusing on securities and structured finance antitrust litigation. Ms. Summers previously worked at the firm as a paralegal and law clerk before joining the firm in September 2012 as an associate.

Ms. Summers has recently worked on the following cases:

- *Dandong v. Pinnacle Performance Limited*, a class action lawsuit against Morgan Stanley pertaining to $154.7 million of notes issued by Pinnacle Performance Ltd. Plaintiffs allege that Morgan Stanley engineered the Pinnacle notes, which it marketed as a safe investment, to fail, investing money into collateral debt obligations linked to risky companies, while actively shorting the same assets and betting against their clients;

- An individual lawsuit against Morgan Stanley pertaining to four fraudulent collateralized debt obligations. Plaintiff alleges that Morgan Stanley represented that independent collateral managers would select safe, high-quality reference entities to be included in the collateralized debt obligations' underlying portfolios, but that in reality, Morgan Stanley controlled portfolio selection and chose high-risk collateral, while actively shorting that same collateral in order to enrich itself at its client's expense;

- Individual lawsuits against Morgan Stanley, Credit Agricole Corporate and Investment Bank, UBS, Deutsche Bank, Credit Suisse, Goldman Sachs, JP Morgan, and Barclays pertaining to a number of fraudulent structured investment vehicles and asset-backed collateralized debt obligations;

- An individual securities fraud action against BP plc related to the Deepwater Horizon explosion on April 20, 2010, and the subsequent drop in BP's share price; and

- Individual securities fraud actions against Merck and Schering-Plough related to the commercial viability of the companies' anti-cholesterol medication Vytorin, and the subsequent drop in Merck's and Schering-Plough's share price.

As a law clerk, Ms. Summers worked on a variety of matters including *In re Citigroup Inc. Securities Litigation, In re Wachovia Corporation, In re Libor-Based Financial Instruments Antitrust Litigation, Dandong v. Pinnacle Performance Limited*, and private antitrust proceedings against Microsoft in the United States and Canada.

Ms. Summers is admitted to the New York State Bar, the United States District Courts for the Southern and Eastern Districts of New York, and the United States District Court for the District of Colorado. She graduated from Cornell University *summa cum laude* where she was ranked first in her major (B.S., 2008) and from Pace University School of Law *summa cum laude* where she was Salutatorian of her class (J.D., 2012).

Edward M. Varga, III is an associate based in our New York office focusing on securities and antitrust litigation. Mr. Varga joined the firm in 2006.

Recent cases on which Mr. Varga has worked include:

- Representation of the lead plaintiff in *In re Citigroup Inc Securities Litigation,* a class action arising out of Citigroup's alleged misrepresentations regarding their exposure to losses associated with numerous collateralized debt obligations. This case recently settled for $590 million;

- Representation, as counsel for lead plaintiff and other shareholders in a derivative action brought against members of the Board of Directors and senior executives of Pfizer, Inc. Plaintiffs made a breach of fiduciary duty claim because defendants allegedly allowed unlawful promotion of drugs to continue even after receiving numerous "red flags" that the improper drug marketing was systemic. Pfizer agreed to pay a proposed settlement of $75 million and to make groundbreaking changes to the Board's oversight of regulatory matters;

- Representation, as lead counsel, of a group of Singapore-based investors in a class action lawsuit against Morgan Stanley pertaining to $154.7 million of notes issued by Cayman Islands-registered Pinnacle Performance Ltd. Plaintiffs allege that Morgan Stanley engineered the Pinnacle Notes, which it marketed as a safe and conservative investment, to fail, investing the money into synthetic collateralized debt obligations linked to risky companies including subprime mortgage lenders and Icelandic banks, while actively shorting the same assets and betting against their clients;

- Representation of companies that offered IPO securities in antitrust litigation against the 27 largest investment banks in the United States. Plaintiffs allege that the banks conspired to price fix underwriting fees in the mid-sized IPO market; and

- Representation of the NY State Common Retirement Fund as lead plaintiff in *In re National City Corporation Securities, Derivative & ERISA Litigation,* a securities class action arising from National City's alleged misrepresentations regarding exposure to subprime mortgage related losses. This case recently settled for $168 million.

Mr. Varga is admitted to the New York State Bar, the United States District Court for the Southern District of New York, and the United States Court of Appeals for the Second Circuit. He graduated from Cornell University (B.S., 2000)) and from New York University Law School (J.D., 2006).

Andrew Watt is a staff attorney based in our New York office focusing on securities and antitrust litigation. Mr. Watt worked at the firm as an associate from 2005 through 2008. He then returned to work with the firm as a staff attorney in 2010.

Recent cases on which Mr. Watt has worked include:

- Representation of the lead plaintiff in *In re Citigroup Inc Securities Litigation,* a class action arising out of Citigroup's alleged misrepresentations regarding their exposure to losses associated with numerous collateralized debt obligations. This case recently settled for $590 million;

- Representation, as co-lead counsel, of exchange-based investors in futures, swaps, and other Libor-based derivative products, alleging that defendant banks colluded to misreport and manipulate Libor rates; and

- Representation, as co-lead counsel, of a class of direct purchasers of Prograf, a branded prescription immunosuppressant used in organ transplant patients in an antitrust action against Astellas Pharma US, Inc. Plaintiffs allege that defendant filed a baseless citizen petition with the Food and Drug Administration ("FDA"), with the sole intent of foreclosing market entry by generic competitors, that improperly extended its monopoly and kept Prograf prices at supra-competitive levels.

Mr. Watt is admitted to the New York State Bar and the United States District Courts for the Southern and Eastern Districts of New York. He graduated from Columbia College (B.A., 1994), Yale University (M.A., 1999), and Columbia University School of Law (J.D., 2002), where he was a Harlan Fiske Stone Scholar.

Prior to joining KM, Mr. Watt practiced at Roberts & Holland, LLP.

Client & Adversary Recognition

KM received the highest available commendations from the City of NY four years in a row for its work on the AWP Litigation. In each of those four years, KM's efforts on the City's behalf received the overall rating of "excellent". The City elaborated, "*Kirby did a truly excellent job and the results reflect that*" .

"The case has been in front of the Supreme Court of the United States once, and in front of the Ninth Circuit no fewer than three times. Throughout, [KM] has . . . brought a considerable degree of success . . . and thwarted attempts by other counsel who sought to settle . . . and destroy a potential billion dollars of class rights."

Plaintiff / client,
Epstein v. MCA, Inc.

"[The KM firm] proved to be a highly able and articulate advocate. Single-handedly, [KM] was able to demonstrate not only that [KM's] client had a good case but that many of the suspicions and objections held by the Nigerian Government were ill-founded."

English adversary in The Nigerian Cement Scandal

"[KM] represented us diligently and successfully. Throughout [KM's] representation of our firm, [KM's] commitment and attention to client concerns were unimpeachable."

European institutional defendant /client
involved in a multi-million dollar NASD arbitration

"Against long odds, [KM] was able to obtain a jury verdict against one of the larger, more prestigious New York law firms."

Plaintiff / client,
Vladimir v. U.S. Banknote Corporation

"[KM] represented our investors with probity, skill, and diligence. There is too much money involved in these situations to leave selection of class counsel to strangers or even to other institutions whose interests may not coincide."

Plaintiff / institutional client,
In re Cendant Corporation PRIDES Litigation

Notables

The firm has repeatedly demonstrated its ability in the field of class litigation and our success has been widely recognized. For example:

In re Citigroup Inc. Securities Litigation, No. 07-cv-9901 (S.D.N.Y.). Lead counsel. $590 million settlement.

In re National City Corporation Securities, Derivative & ERISA Litigation, No. 08-cv-70004 (N.D.Oh). Lead counsel. $168 million settlement.

In re Wachovia Equity Securities Litigation, No. 08-cv-6171 (S.D.N.Y.). Lead counsel. $75 million settlement.

In re BP Propane Indirect Purchaser Antitrust Litigation, No. 06-cv-3541 (N.D.Ill. 2010). Co-lead counsel. $15 million settlement on behalf of propane purchasers.

In re J.P. Morgan Chase Cash Balance Litigation, No. 06-cv-732 (S.D.N.Y.). Co-lead counsel.

> "Plaintiff's counsel operated with a strong, genuine belief that they were litigating on behalf of a group of employees who had been injured and who needed representation and a voice, and, at great expense to [themselves], made Herculean efforts on behalf of the class over years…they're to be commended for their fight on behalf of people that they believed had been victimized."

In re Pfizer Inc. Shareholder Derivative Litigation, No. 09-cv-7822 (S.D.N.Y.). Pfizer agreed to pay a proposed settlement of $75 million and to make groundbreaking changes to the Board's oversight of regulatory matters.

In re Reformulated Gasoline (RFG) Antitrust and Patent Litigation and Related Actions, No. 05-cv-01671 (C.D. Cal). Lead counsel. $48 million settlement for indirect purchasers.

In re BISYS Securities Litigation, No. 04-cv-3840 (S.D.N.Y. 2007). Co-lead counsel. $66 million settlement.

> "In this Court's experience, relatively few cases have involved as high level of risk, as extensive discovery, and, most importantly, as positive a final result for the class members as that obtained in this case."

Cox v. Microsoft Corporation, Index No. 105193/00, Part 3 (N.Y. Sup. Ct.). Lead counsel. $350 million settlement.

In re AT&T Corp. Securities Litigation, No. 00-cv-8754 (S.D.N.Y. 2006). Sole lead counsel. $150 million settlement.

In re Adelphia Communications, Inc. Securities Litigation, No. 04-cv-05759 (S.D.N.Y. 2006). Co-lead counsel. $460 million settlement.

> "[T]hat the settlements were obtained from defendants represented by 'formidable opposing counsel from some of the best defense firms in the country' also evidences the high quality of lead counsels' work."

Lapin v. Goldman Sachs & Co., No. 04-cv-2236 (S.D.N.Y.). Co-lead counsel. $29 million settlement.

Montoya v. Herley Industries, Inc., No. 06-cv-2596 (E.D. Pa). Lead counsel. $10 million settlement.

Carnegie v. Household International Inc., et al., No. 98-cv-2178 (N.D.Ill. 2006). Co-lead counsel. $39 million settlement.

> "Since counsel took over the representation of this case . . ., they have pursued this case, conducting discovery, hiring experts, preparing for trial, filing motions where necessary, opposing many motions, and representing the class with intelligence and hard work. They have obtained an excellent result for the class."

Dutton v. Harris Stratex Networks Inc. et al., **No.** 08-cv-00755 (D.Del). Lead counsel. $8.9 million settlement.

In re Isologen Inc. Securities Litigation, No. 05-cv-4983 (E.D. Pa.). Lead counsel. $4.4 million settlement.

In re Textron, Inc. Securities Litigation, No. 02-cv-0190 (D.R.I.). Co-lead counsel. $7 million settlement.

Argent Convertible Classic Arbitrage Fund, L.P. v. Amazon.com, Inc. et al., No. 01-cv-0640L (W.D. Wash. 2005). Lead counsel for class of convertible euro-denominated bond purchases. $20 million settlement.

Muzinich & Co., Inc. et al. v. Raytheon Company et al., No. 01-cv-0284 (D. Idaho 2005). Co-lead counsel. $39 million settlement.

Gordon v. Microsoft Corporation, No. 00-cv-5994 (Minn. Dist. Ct., Henn. Co. 2004). Co-lead counsel. $175 million settlement following two months of trial.

In re Visa Check/MasterMoney Antitrust Litigation, No. 96-cv-5238 (E.D.N.Y. 2003). $3 billion monetary settlement and injunctive relief.

In re Florida Microsoft Antitrust Litigation, No. 99-cv-27340 (Fl. Cir. Ct. 11th Cir., Miami/Dade Co. 2003). Co-lead counsel. $200 million settlement of antitrust claims.

In re Churchill Securities, Inc. (SIPA Proceeding), No. 99 B 5346A (Bankr. S.D.N.Y. 2003). Sole lead counsel. Over $9 million recovery for 500+ victims of pyramid scheme perpetrated by defunct brokerage firm.

In re Laidlaw Bondholder Securities Litigation, No. 00-cv-2518-17 (D. S.C. 2002). Lead counsel. $42.8 million settlement.

Cromer Finance v. Berger et al. (*In re Manhattan Fund Securities Litigatio*n), No. 00-cv-2284 (S.D.N.Y. 2002). Co-lead counsel. $65 million settlement in total.

In re Boeing Securities Litigation, No. 97-cv-715 (W.D. Wash. 2001). $92.5 million settlement.

In re MCI Non-Subscriber Telephone Rates Litigation, MDL No. 1275 (S.D. Ill. 2001). Chairman of steering committee. $88 million settlement.

In re General Instrument Corp. Securities Litigation, No. 01-cv-1351 (E.D. Pa. 2001). Co- lead counsel. $48 million settlement.

In re Bergen Brunswig/Bergen Capital Trust Securities Litigation, 99-cv-1305 and 99-cv-1462 (C.D. Cal. 2001). Co-lead counsel. $42 million settlement.

Steiner v. Aurora Foods, No. 00-cv-602 (N.D. Cal. 2000). Co-lead counsel. $36 million settlement.

Gerber v. Computer Associates International, Inc., No. 91-cv-3610 (E.D.N.Y. 2000). Multi-million dollar jury verdict in securities class action.

Rothman v. Gregor, 220 F.3d 81 (2d Cir. 2000). Principal counsel of record in appeal that resulted in first ever appellate reversal of the dismissal of a securities fraud class action under the Securities Reform Act of 1995.

Bartold v. Glendale Federal Bank, 81 Cal.App.4th 816 (2000). Ruling on behalf of hundreds of thousands of California homeowners establishing banks' duties regarding title reconveyance; substantial damages still to be calculated in this and related cases against other banks for failures to have discharged these duties.

In re Cendant Corporation PRIDES Litigation, 51 F. Supp. 2d 537, 542 (D. N.J. 1999). Lead counsel. $340 million settlement.

> "[R]esolution of this matter was greatly accelerated by the creative dynamism of counsel." * * * "We have seen the gifted execution of responsibilities by a lead counsel."

In re Waste Management, Inc. Securities Litigation, No. 97C 7709 (N.D. Ill. 1999). Co-lead counsel. $220 million settlement.

> "...[Y]ou have acted the way lawyers at their best ought to act. And I have had a lot of cases... in 15 years now as a judge and I cannot recall a significant case where I felt people were better represented than they are here... I would say this has been the best representation that I have seen."

In re Bennett Funding Group, Inc. Securities Litigation, No. 96-cv-2583 (S.D.N.Y. 1999). Co-lead counsel. $140 million settlement ($125 million recovered from Generali U.S. Branch, insurer of Ponzi scheme instruments issued by Bennett Funding Group; $14 million settlement with Mahoney Cohen, Bennett's auditor).

In re MedPartners Securities Litigation, No. 98-cv-06364 (Ala. June 1999). Co-lead counsel. $56 million settlement.

In re MTC Electronic Technologies Shareholder Litigation, No. 93-cv-0876 (E.D.N.Y. 1998). Co-lead counsel. Settlement in excess of $70 million.

Skouras v. Creditanstalt International Advisers, Inc., et al., NASD Arb., No. 96-05847 (1998). Following an approximately one month hearing, successfully defeated multi-million dollar claim against major European institution.

In re Woolworth Corp. Securities Class Action Litigation, No. 94-cv-2217 (S.D.N.Y. 1997). Co-lead counsel. $20 million settlement.

In re Archer Daniels Midland Inc. Securities Litigation, No. 95-cv-2877 (C.D. Ill. 1997). Co-lead counsel. $30 million settlement.

Vladimir v. U.S. Banknote Corp., No. 94-cv-0255 (S.D.N.Y. 1997). Multi-million dollar jury verdict in § 10(b) action.

In re Archer Daniels Midland Inc. Securities Litigation, No. 95-cv-2877 (C. D. Ill. 1997). Co-lead counsel. $30 million settlement.

Epstein et al. v. MCA, Inc., et al., 50 F.3d 644 (9th Cir. 1995), *rev'd and remanded on other grounds, Matsushita Electric Industrial Co., Ltd. et al. v. Epstein et al.*, No. 94-1809, 116 S. Ct. 873 (February 27, 1996). Sole lead counsel. Appeal resulted in landmark decision concerning liability of tender offeror under section 14(d)(7) of the Williams Act, SEC rule 14d-10 and preclusive effect of a release in a state court proceeding. In its decision granting partial summary judgment to plaintiffs, the court of appeals for the Ninth Circuit stated:

> "The record shows that the performance of the Epstein plaintiffs and their counsel in pursuing this litigation has been exemplary."

In re Abbott Laboratories Shareholder Litigation, No. 92-cv-3869 (N.D. Ill. 1995). Co-lead counsel. $32.5 million settlement.

> "The record here amply demonstrates the superior quality of plaintiffs' counsel's preparation, work product, and general ability before the court."

In re Morrison Knudsen Securities Litigation, No. 94-cv-334 (D. Id. 1995). Co-lead counsel. $68 million settlement.

In re T2 Medical Inc. Securities Litigation, No. 94-cv-744 (N.D. Ga. 1995). Co-lead counsel. $50 million settlement.

Gelb v. AT&T, No. 90-cv-7212 (S.D.N.Y. 1994). Landmark decision regarding filed rate doctrine leading to injunctive relief.

In re International Technology Corporation Securities Litigation, No. 88-cv-40 (C.D. Cal. 1993). Co-lead counsel. $13 million settlement.

Colaprico v. Sun Microsystems, No. 90-cv-20710 (N.D. Cal. 1993). Co-lead counsel. $5 million settlement.

Steinfink v. Pitney Bowes, Inc., No. B90-340 (JAC) (D. Conn. 1993). Lead counsel. $4 million settlement.

In re Jackpot Securities Enterprises, Inc. Securities Litigation, CV-S-89-05-LDG (D. Nev. 1993). Lead counsel. $3 million settlement.

In re Nordstrom Inc. Securities Litigation, No. C90-295C (W.D. Wa. 1991). Co-lead counsel. $7.5 million settlement.

United Artists Litigation, No. CA 980 (Sup. Ct., L.A., Cal.). Trial counsel. $35 million settlement.

In re A.L. Williams Corp. Shareholders Litigation, C.A. No. 10881 (Delaware Ch. 1990). Lead counsel. Benefits in excess of $11 million.

In re Triangle Inds., Inc., Shareholders' Litigation, C.A. No. 10466 (Delaware Ch. 1990). Co-lead counsel. Recovery in excess of $70 million.

Schneider v. Lazard Freres, No. 38899, M-6679 (N.Y. App. Div. 1st Dept. 1990). Co-lead counsel. Landmark decision concerning liability of investment bankers in corporate buyouts. $55 million settlement.

Rothenberg v. A.L. Williams, C.A. No. 10060 (Delaware. Ch. 1989). Sole lead counsel. Benefits of at least $25 million to the class.

Kantor v. Zondervan Corporation, No. 88-cv-C5425 (W.D. Mich. 1989). Sole lead counsel. Recovery of $3.75 million.

King v. Advanced Systems, Inc., No. 84-cv-C10917 (N.D. Ill. E.D. 1988). Lead counsel. Recovery of $3.9 million (representing 90% of damages).

Straetz v. Cordis, 85-343 Civ. (SMA) (S.D. Fla. 1988). Lead counsel.

> "I want to commend counsel and each one of you for the diligence with which you've pursued the case and for the results that have been produced on both sides. I think that you have displayed the absolute optimum in the method and manner by which you have represented your respective clients, and you are indeed a credit to the legal profession, and I'm very proud to have had the opportunity to have you appear before the Court in this matter."

In re Flexi-Van Corporation, Inc. Shareholders Litigation, C.A. No. 9672 (Delaware. Ch. 1988). Co-lead counsel. $18.4 million settlement.

Entezed, Inc. v. Republic of Nigeria, I.C.C. Arb. (London 1987). Multi-million dollar award for client.

In re Carnation Company Securities Litigation, No. 84-cv-6913 (C.D. Cal. 1987). Co-lead counsel. $13 million settlement.

In re Data Switch Securities Litigation, B84 585 (RCZ) (D. Conn. 1985). Co-lead counsel. $7.5 million settlement.

Stern v. Steans, 80 Civ 3903 (GLG). The court characterized the result for the class obtained during trial to jury as "unusually successful" and "incredible" (Jun 1, 1984).

In re Datapoint Securities Litigation, SA 82 CA 338 (W.D. Tex.). Lead Counsel for a Sub-Class. $22.5 million aggregate settlement.

Malchman, et al. v. Davis, et al., No. 77-cv-5151 (S.D.N.Y. 1984):

> "It is difficult to overstate the far-reaching results of this litigation and the settlement. Few class actions have ever succeeded in altering commercial relationships of such magnitude. Few class action settlements have even approached the results achieved herein.... In the present case, the attorneys representing the class have acted with outstanding vigor and dedication . . . Although the lawyers in this litigation have appeared considerably more in the state courts than in the federal court, they have appeared in the federal court sufficiently for me to attest as to the high professional character of their work. Every issue which has come to this court has been presented by both sides with a thoroughness and zeal which is outstanding .... In sum, plaintiffs and their attorneys undertook a very large and difficult litigation in both the state and federal courts, where the stakes were enormous. This litigation was hard fought over a period of four years. Plaintiffs achieved a settlement which altered commercial relationships involving literally hundreds of millions of dollars."

* * *

EXHIBIT 7

***In re Hi-Crush Partners L.P. Sec. Litig.*, No. 12 Civ. 8557 (CM) (S.D.N.Y.)**
Lead Counsel Kirby McInerney LLP's Lodestar Report as of 11/12/2014

*	Attorney	Hours	Rate	Lodestar
	Peter Linden (P)	39.50	$850.00	$33,575.00
	Ira Press (P)	279.25	$850.00	$237,362.50
	Mark Strauss (P)	210.25	$775.00	$162,943.75
	Christopher Studebaker (P)	7.25	$700.00	$5,075.00
**	Sarah Lopez (A)	453.50	$550.00	$249,425.00
	Beverly Tse Mirza (A)	31.75	$550.00	$17,462.50
	Edward Varga (A)	8.50	$550.00	$4,675.00
	Thomas Elrod (A)	332.25	$425.00	$141,206.25
	Total Attorney	1,362.25		$851,725.00
	Senior Analysts			
	Matthew Meador	16.75	$300.00	$5,025.00
	Elaine Mui	2.00	$300.00	$600.00
	Wilona Karnadi	9.50	$250.00	$2,375.00
	Jing Yin	14.00	$250.00	$3,500.00
	Paralegals/Clerks			
	Paralegals	168.75	$210.00	$35,437.50
	Clerks	21.50	$95.00	$2,042.50
	Total	**1,594.75**		**$900,705.00**

(A) Associate
(P) Partner

* Kirby McInerney did not employ contract attorneys on this matter.

** The time reflected here for Sarah Lopez was recorded prior to her departure from the firm and reflects her final billing rate.

EXHIBIT 8

***In re Hi-Crush Partners L.P. Sec. Litig.*, No. 12 Civ. 8557 (CM) (S.D.N.Y.)**
Lead Counsel Kirby McInerney LLP's Expense Report as of 11/12/2014

Description	Amount
Expert Fees	$89,331.51
Mediator's Fees	$5,928.75
Travel Related Expenses (Transportation, Lodging and Meals)	$5,639.75
Late Night Transportation and Meals	$533.75
Legal Research (Lexis and Westlaw Charges)	$2,314.06
Deposition Transcript Reporting Fees	$1,543.75
E-Discovery Costs	$456.25
Document Retrieval (PACER and Lexis Charges)	$364.10
Process Server Costs	$275.00
Federal Express Costs	$53.73
Conference Calls	$10.55
TOTAL EXPENSES	**$106,451.20**

EXHIBIT 9

Hourly Billing Rates Submitted by Defense Firms in Connection with Recent Bankruptcy Fee Appplications			
Case Name	**Defense Firm**	**Associate & Of Counsel Hourly Rates**	**Partner Hourly Rates**
In re Eagle Bulk Shipping Inc. , No. 14 Civ. 12303 (Bankr. S.D.N.Y. Oct. 9, 2014) (ECF No. 122)	Milbank, Tweed, Hadley & McCloy LLP	$495 - $900	$1,000 - $1,220
In re AMR Corp. , No. 11 Civ. 15463 (Bankr. S.D.N.Y. Fe. 7, 2014) (ECF No. 11685)	Jones Day	$375 - $975	$650 - $975
In re Old HB, Inc. (f/k/a Hostess Brands, Inc.) , No. 12 Civ. 22052 (Bankr. S.D.N.Y. Jul. 22, 2013) (ECF No. 2716)	Kramer Levin Naftalis & Frankel LLP	$485 - $745	$770- $975
In re MF Global Holdings, Ltd. , No. 11 Civ. 15059 (Bankr. S.D.N.Y. Apr. 1, 2013) (ECF No. 1264)	Morrison & Foerster LLP	$409.50 - $687.50	$652.50 - $1,116.00
In re Residential Capital, LLC , No. 12 Civ. 12020 (Bankr. S.D.N.Y. Oct. 19, 2012) (ECF No. 1897)	Chadbourne & Parke LLP	$395 - $795	$725 - $995
In re Trico Marine Services, Inc., No. 10 Civ. 12653, (Bankr. Del. Sept. 9, 2011) (ECF No. 12653)	Vinson & Elkins LLP	$275 - $625	$585 - $855

EXHIBIT 10

Hourly Billing Rates Submitted by Lead Plaintiffs' Counsel in Connection with Recent Securities Class Action Settlements			
Case Name	**Plaintiffs' Firm**	**Associate & Of Counsel Hourly Rates**	**Partner Hourly Rates**
New Jersey Carpenters Health Fund v. Royal Bank of Scotland Group PLC , No. 08 Cib. 05093 (S.D.N.Y. Sept. 30, 2014) (ECF No. 275)	Cohen Milstein Sellers & Toll PLLC	$415 - $780	$550 - $895
City of Providence v. Aeropostale, Inc. , No. 11 Civ. 7132 (S.D.N.Y. Apr. 4, 2014) (ECF No. 61-4)	Labaton Sucharow LLP	$465 - 725	$775 - $875
Pieter van Dongen v. CNINsure Inc. , No. 11 Civ. 07320 (S.D.N.Y. May 22, 2014) (ECF No. 49)	Robbins Geller Rudman & Dowd LLP	$350 - $440	$640 - $860
Shapiro v. JPMorgan Chase & Co. , No. 11 Civ. 8331 (S.D.N.Y. Feb. 2, 2014) (ECF No. 63-1)	Entwistle & Cappucci LLP	$265 - $485	$695 - $900
	Haegens Berman Sobol Shapiro LLP	$595	$695 - $900
In re Gerova Financial Group, Ltd., Sec. Litig. , No. 11 Md. 02275 (S.D.N.Y. May 5, 2014) (ECF No. 84-2)	Pomerantz LLP	$520 - $625	$755 - $980

EXHIBIT 11

Compendium of Cases

Grant Barfuss v. DGSE Companies, Inc., et al.,
No. 12 Civ. 3664 (N. Tex. Oct. 21, 2013)

In re Green Tree Fin. Corp. Stock Litig.,
Nos. 97-2666 and 97-2679 (D. Minn. Dec. 18, 2003)

In re Pilgrim's Pride Corp. Sec. Litig.,
No. 08 Civ. 49 (E.D. Tex. May 2, 2010)

In Van Der Moolen Holding N.V. Sec. Litig.,
No. 03 Civ. 8284 (S.D.N.Y. Dec. 6, 2006)

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

GRANT BARFUSS, on behalf of himself and all others similarly situated,
Plaintiffs

v.

DGSE COMPANIES, INC.; L.S. SMITH, JOHN BENSON, AND WILLIAM OYSTER,
Defendants

No. 12 Civ. 3664 (JJB)
ECF Case

JUDGMENT APPROVING CLASS ACTION SETTLEMENT

WHEREAS, a class action is before this Court entitled *Grant Barfuss v. DGSE Companies, Inc.*, No. 12 Civ. 3664 (N.D. Tex.) (JJB) (the "Action"); and

WHEREAS, Hillel Hyman (or "Lead Plaintiff"), individually and on behalf of the Settlement Class (as hereinafter defined) and defendants DGSE Companies, Inc. ("DGSE"), L.S. Smith, John Benson and William Oyster (collectively, the "Defendants") have entered into a Stipulation and Agreement of Settlement dated July 3, 2013 (the "Stipulation") that sets forth the terms and conditions of the proposed settlement, which provides for a complete dismissal on the merits and with prejudice of the claims asserted in the Action against all the Defendants upon the terms and conditions set forth in the Stipulation, subject to the approval of this Court (the "Settlement"); and

WHEREAS, unless otherwise defined in this Judgment, the capitalized terms herein shall have the same meaning as they have in the Stipulation; and

WHEREAS, by Order dated July 8, 2013 (the "Preliminary Approval Order"), this Court (a) preliminarily approved the Settlement; (b) certified the Settlement Class for settlement purposes only; (c) ordered that notice of the proposed Settlement be provided to potential Settlement Class

Members; (d) provided Settlement Class Members with the opportunity either to exclude themselves from the Settlement Class or to object to the proposed Settlement; and (e) scheduled a hearing regarding final approval of the Settlement; and

WHEREAS, Lead Counsel has conducted confirmatory discovery; and

WHEREAS, due and adequate notice has been given to the Settlement Class; and

WHEREAS, the Court conducted a hearing on October 21, 2013 (the "Settlement Hearing") to consider, among other things, (a) whether the terms and conditions of the Settlement are fair, reasonable and adequate, and in the best interest of Lead Plaintiff and the other Settlement Class Members, and should therefore be approved; (b) whether a judgment should be entered dismissing the Action with prejudice as against all the Defendants; (c) whether the proposed Plan of Allocation for the proceeds of the Settlement is fair and reasonable and should be approved; and (d) whether the motion by Lead Counsel for an award of attorneys' fees and reimbursement of Litigation Expenses should be approved; and

WHEREAS, the Court having reviewed and considered the Stipulation, all papers filed and proceedings held herein in connection with the Settlement, all oral and written comments received regarding the proposed Settlement, and the record in the Action, and good cause appearing therefor;

NOW THEREFORE, IT IS HEREBY ORDERED, ADJUDGED AND DECREED:

1. **Jurisdiction:** The Court has jurisdiction over the subject matter of the Action, and all matters relating to the Settlement, as well as personal jurisdiction over all of the Settling Parties and each of the Settlement Class Members.

2. **Incorporation of Settlement Documents:** This Judgment incorporates and makes a part hereof: (a) the Stipulation filed with the Court on July 3, 2013; and (b) the Notice and the Summary Notice, both of which were filed with the Court on July 3, 2013.

3. **Settlement Class Certification:** The Court hereby affirms its determinations in the Preliminary Approval Order certifying, for the purposes of settlement only, the Action as a class action pursuant to Rules 23(a) and 23(b)(3) of the Federal Rules of Civil Procedure on behalf of the following Settlement Class: (a) a class of all Persons who purchased, or otherwise acquired DGSE common stock from April 15, 2011 through and including April 17, 2012, inclusive, and were damaged thereby. Excluded from the Settlement Class are all Defendants in the Action and their respective current or former Section 16 Officers, directors, Immediate Family members, legal representatives, heirs, successors or assigns, and any entity in which any Defendant has or had a controlling interest. [Also excluded from the Settlement Class are the Persons who timely and validly requested exclusion from the Settlement Class in accordance with the requirements set forth in the Notice, as listed on Exhibit 1 hereto.] All persons who have not made their objections to the Settlement in the manner provided in the Notice are deemed to have waived any objections by appeal, collateral attack or otherwise.

4. **Adequacy of Representation:** Pursuant to Rule 23 of the Federal Rules of Civil Procedure, and for the purposes of settlement only, the Court hereby affirms its determinations in the Preliminary Approval Order certifying Hillel Hyman as class representative on behalf of the Settlement Class and appointing Lead Counsel as lead counsel for the Settlement Class. Lead Plaintiffs and Lead Counsel have fully and adequately represented the Settlement Class, both in terms of litigating this Action and for purposes of entering into and implementing the Settlement, and meet the requirements of Rules 23(a)(4) and 23(g) of the Federal Rules of Civil Procedure, respectively.

5. **Notice:** The Court finds that the dissemination of the Notice and the publication of the Summary Notice: (a) were implemented in accordance with the Preliminary Approval Order;

(b) constituted the best notice practicable under the circumstances; (c) constituted notice that was reasonably calculated, under the circumstances, to apprise Settlement Class Members (i) of the pendency of the Action, (ii) of the effect of the Settlement (including the Releases provided for therein), (iii) of Lead Counsel's motion for an award of attorneys' fees and reimbursement of Litigation Expenses, (iv) of their right to object to any aspect of the Settlement, the Plan of Allocation and/or Lead Counsel's motion for attorneys' fees and reimbursement of Litigation Expenses, (v) of their right to exclude themselves from the Settlement Class, and (vi) of their right to appear at the Settlement Hearing; (d) constituted due, adequate and sufficient notice to all Persons entitled to receive notice of the proposed Settlement; and (e) satisfied the requirements of Rule 23 of the Federal Rules of Civil Procedure, Section 21D(a)(7) of the Securities Exchange Act of 1934, 15 U.S.C. § 78u-4(a)(7) as amended by the Private Securities Litigation Reform Act, due process, the Rules of the Court and all other applicable law and rules.

6. **Final Settlement Approval and Dismissal of Claims:** Pursuant to, and in accordance with, Rule 23 of the Federal Rules of Civil Procedure, this Court hereby fully and finally approves the Settlement set forth in the Stipulation in all respects (including, without limitation, the Settlement Amount, the Releases provided for therein, including the release of the Released Claims as against the Released Defendant Persons, and the dismissal with prejudice of claims against the Defendants), and finds that the Settlement is, in all respects, fair, reasonable and adequate, and is in the best interests of Lead Plaintiffs and the other Settlement Class Members. The Settling Parties are directed to implement, perform and consummate the Settlement in accordance with the terms and provisions contained in the Stipulation.

7. All of the claims asserted in the Action against all the Defendants by Lead Plaintiffs and the other Settlement Class Members are hereby fully, finally and forever compromised, settled,

released, resolved, relinquished, waived, discharged and dismissed, on the merits and with prejudice as of the Effective Date of the Settlement. The Settling Parties shall bear their own costs and expenses, except as otherwise expressly provided in the Stipulation.

8. **Binding Effect:** The terms of the Stipulation and of this Judgment shall be forever binding on the Defendants, Lead Plaintiffs and all other Settlement Class Members (regardless of whether or not any individual Settlement Class Member submits a Claim Form or seeks or obtains a distribution from the Net Settlement Fund), as well as their respective heirs, executors, administrators, predecessors, successors and assigns. All Persons who have failed to properly file timely and valid requests for exclusion from the Settlement Class in accordance with the requirements set forth in the Notice (exclusive of the persons and entities as listed on Exhibit 1 annexed hereto who submitted timely and valid exclusion requests), release and forever discharge the Releasees from all Released Claims as provided in the Stipulation.

9. **Releases:** The releases as set forth in Paragraphs 5 and 6 of the Stipulation, together with the definitions contained in Paragraph 1 of the Stipulation relating thereto, are expressly incorporated herein in all respects. Accordingly, this Court orders that:

(a) Without further action by anyone, and subject to Paragraph 10 below, upon the Effective Date, Lead Plaintiff and each of the other Settlement Class Members, on behalf of themselves, their heirs, executors, administrators, predecessors, successors, affiliates and assigns, shall be deemed to have, and by operation of law and of this Judgment shall have, fully, finally and forever compromised, settled, released, resolved, relinquished, waived, discharged and dismissed each and every Released Claim against the DGSE Defendants, John Benson, and all other Released Defendant Persons, and shall forever be enjoined from prosecuting any or all of the Released Claims against any Released Defendant Persons.

[This release shall not apply to any Person who has timely and validly requested exclusion from the Settlement Class in accordance with the requirements set forth in the Notice, as listed on Exhibit 1 hereto]; and

(b) Without further action by anyone, and subject to Paragraph 10 below, upon the Effective Date, each of the DGSE Defendants, John Benson, and each of the other Released Defendant Persons, on behalf of themselves, their heirs, executors, administrators, predecessors, successors, affiliates and assigns, shall be deemed to have, and by operation of law and of this Judgment shall have, fully, finally and forever compromised, settled, released, resolved, relinquished, waived, discharged and dismissed each and every of the Released Defendant Persons' Claims against all of the Plaintiff-Related Releasees and all claims and causes of action of every nature and description, whether known claims or Unknown Claims, whether arising under federal, state, common or foreign law, that arise out of or relate in any way to the institution, prosecution, or settlement of the claims against each of the DGSE Defendants, John Benson, and each of the Released Defendant Persons, and shall forever be enjoined from prosecuting any or all of the Released Defendant Persons' Claims against any of the Plaintiff-Related Releasees. [This release shall not apply to any Person who has timely and validly requested exclusion from the Settlement Class in accordance with the requirements set forth in the Notice, as listed on Exhibit 1 hereto].

10. Notwithstanding Subparagraphs 9(a) – (b), above, nothing in this Judgment shall bar any action by any of the Settling Parties to enforce or effectuate the terms of the Stipulation or this Judgment, nor shall this Judgment alter the rights between and among the DGSE Defendants or John Benson.

11. **Complete Bar Order:**

(a) Any and all Persons are permanently barred, enjoined and restrained, to the fullest extent permitted by applicable law, from commencing, prosecuting or asserting any claim for indemnity or contribution against any Released Defendant Person (or any other claim against any Released Defendant Person where the alleged injury to such Person is that Person's actual or threatened liability to the Settlement Class or a Settlement Class Member in the Action), based upon, arising out of or related to the Released Claims, whether arising under state, federal or foreign law, as claims, cross-claims, counterclaims or third-party claims, whether asserted in the Action, in this Court, in any federal or state court, or in any other court, arbitration proceeding, administrative agency or other forum in the United States or elsewhere. However, with respect to any judgment that the Settlement Class or a Settlement Class Member may obtain against such Person based upon, arising out of or relating to any Released Claim belonging to the Settlement Class or a Settlement Class Member, that Person shall be entitled to a credit of the greater of (i) an amount that corresponds to the percentage of responsibility of the Released Defendant Persons for the loss to the Settlement Class or the Settlement Class Member or (ii) the amount paid by or on behalf of the DGSE Defendants to the Settlement Class or the Settlement Class Member for common damages;

(b) Each and every Released Defendant Person is hereby permanently barred, enjoined and restrained, to the fullest extent permitted by applicable law, from commencing, prosecuting or asserting any claim for contribution as outlined in the PSLRA;

(c) Nothing in this Complete Bar Order shall prevent a putative Settlement Class Member who validly requested an exclusion from the Settlement Class from pursuing any

Released Claim against any Released Defendant Person. If any putative Settlement Class Member who validly requests exclusion from the Settlement Class pursues any such Released Claim against any Released Defendant Person, nothing in this Complete Bar Order or in the Stipulation shall operate to preclude such Released Defendant Person from asserting any claim of any kind against such putative Settlement Class Member (or seeking contribution or indemnity from any Person, including any co-defendant in the Action, in respect of the claim of such putative Settlement Class Member who validly requests exclusion from the Settlement Class);

(d) Notwithstanding anything to the contrary in this Complete Bar Order, in the event that any Person (for purposes of this provision, a "petitioner") commences against any of the Released Defendant Persons any action asserting a claim that is based upon, arises out of or relates to any Released Claim belonging to the Settlement Class or a Settlement Class Member, including, but not limited to, any claim that is based upon, arises out of or relates to the Action, or the transactions and occurrences referred to in the Class Action Complaint, and such claim is not barred by a court pursuant to this Complete Bar Order or is not otherwise barred by the Complete Bar Order, the Complete Bar Order shall not bar claims by that Released Defendant Person against (i) such petitioner; (ii) any Person who is or was controlled by, controlling or under common control with the petitioner, or whose assets or estate are or were controlled, represented or administered by the petitioner, or as to whose claims the petitioner has succeeded; and (iii) any Person that participated with any of the Persons described in items (i) and (ii) of this provision in connection with the conduct, transactions or occurrences that are the subject of the claim brought against the Released Defendant Person(s), or any Person that was involved in the issues and damages alleged by

the petitioner. Nothing in this paragraph shall be deemed to create a claim or cause of action against a petitioner or any other Person described in this paragraph.

12. **Rule 11 Findings:** The Court finds and concludes that the Settling Parties and their respective counsel have complied in all respects with the requirements of Rule 11 of the Federal Rules of Civil Procedure in connection with the commencement, maintenance, prosecution, defense and settlement of the Action.

13. **No Admissions:** Neither this Judgment nor the Stipulation or its negotiations or any proceedings connected with it:

(a) shall be offered against DGSE Defendants, John Benson, or any of the Released Defendant Persons as evidence of, or construed as, or deemed to be evidence of any presumption, concession or admission by any of the Released Defendant Persons with respect to the truth of any fact alleged by Lead Plaintiff or the validity of any claim that was or could have been asserted or the deficiency of any defense that has been or could have been asserted in this Action or in any litigation, or of any liability, negligence, fault or other wrongdoing of any kind of any of the Released Defendant Persons;

(b) shall be offered against DGSE Defendants, John Benson, or any of the Released Defendant Persons 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 DGSE Defendants, John Benson, or any of the Released Defendant Persons, or by DGSE Defendants or any of the Released Defendant Persons against Lead Plaintiff or any other Settlement Class Members as evidence of any infirmity in the claims of Lead Plaintiff or the other Settlement Class Members;

(c) shall be offered by Lead Plaintiff against DGSE Defendants, John Benson, or any of the Released Defendant Persons, or by DGSE Defendants or any of the Released Defendant Persons against the Lead Plaintiff or any other Settlement Class Members, as evidence of a presumption, concession or admission with respect to any liability, negligence, fault or wrongdoing of any kind, in any other civil, criminal or administrative action or proceeding, other than such proceedings as may be necessary to effectuate the provisions of the Stipulation; provided, however, that the DGSE Defendants, John Benson, any other Released Defendant Person, Lead Plaintiffs, the other Settlement Class Members and their respective counsel may refer to the Stipulation to effectuate the protections from liability granted thereunder or otherwise to enforce the terms of the Settlement;

(d) shall be construed by any of the Settling Parties against DGSE Defendants, John Benson, or any of the Released Defendant Persons, Lead Plaintiffs or any other Settlement Class Members as an admission, concession or presumption that the consideration to be given under the Settlement represents the amount which could be or would have been recovered after trial; and

(e) shall be construed by any of the Settling Parties against Lead Plaintiffs or any other Settlement Class Members as an admission, concession or presumption that any of their claims are without merit, that DGSE Defendants, John Benson, or any of the Released Defendant Persons had meritorious affirmative defenses, or that damages recoverable under the Class Action Complaint would not have exceeded the Settlement Amount.

14. **Retention of Jurisdiction:** Without affecting the finality of this Judgment in any way, this Court retains continuing and exclusive jurisdiction over: (a) the Settling Parties for purposes of the administration, interpretation, implementation and enforcement of the Settlement;

(b) the disposition of the Settlement Fund; (c) any motion for an award of attorneys' fees and/or Litigation Expenses by Lead Counsel in the Action that will be paid from the Settlement Fund; (d) any motion to approve the Plan of Allocation; (e) any motion to approve the distribution of the Net Settlement Fund to Authorized Claimants; and (f) the Settlement Class Members for all matters relating to the Action.

15. **Plan of Allocation:** Pursuant to and in full compliance with Rule 23 of the Federal Rules of Civil Procedure, the Court finds and concludes that due and adequate notice was directed to all Persons who are Settlement Class Members advising them of the Plan of Allocation and of their right to object thereto, and a full and fair opportunity was given to all Persons who are Settlement Class Members to be heard with respect to the Plan of Allocation. The Court finds that the formula for the calculation of the claims of Authorized Claimants, which is set forth in the Notice sent to Settlement Class Members, provides a fair and reasonable basis upon which to allocate among Settlement Class Members the proceeds of the Net Settlement Fund established by the Stipulation, with due consideration having been given to administrative convenience and necessity. The Court hereby finds and concludes that the Plan of Allocation is approved as fair and reasonable, and Lead Counsel and the Claims Administrator are directed to administer the Stipulation and Plan of Allocation in accordance with their terms and provisions. Any modification or change in the Plan of Allocation that may hereafter be approved shall in no way disturb, affect or delay the finality of this Judgment or the Releases provided thereunder, shall not disturb, affect or delay the Effective Date of the Settlement, and shall be considered separate from this Judgment.

16. The DGSE Defendants, John Benson, and all other Released Defendant Persons, including their respective insurers, shall have no responsibility whatsoever for the administration of

the Settlement, and shall have no liability whatsoever to any Person, including, but not limited to, Lead Plaintiffs, the Settlement Class or Lead Counsel in connection with any such administration.

17. **Lead Counsel's Award of Attorneys' Fees and Reimbursement of Litigation Expenses:** Lead Counsel are hereby awarded 33 % of the Settlement Amount as and for their attorneys' fees, which sum the Court finds to be fair and reasonable. Lead Counsel are hereby awarded $ 13,351.74 in reimbursement of Litigation Expenses, which expenses the Court finds to have been reasonably incurred. The foregoing amounts shall be paid to Lead Counsel from the Settlement Fund. Lead Counsel may make payments of fees and expenses to counsel for other plaintiffs as Lead Counsel deems appropriate based on their relative contribution to the prosecution and resolution of the Action. Neither the Plan of Allocation submitted by Lead Counsel nor the portion of this Judgment regarding the attorneys' fee and Litigation Expense application, including any modification or change in the award of attorneys' fees and Litigation Expenses that may hereafter be approved, shall in any way disturb or affect this Judgment or the Releases provided hereunder and shall be considered separate from this Judgment.

18. **Modification of the Agreement of Settlement:** Without further approval from the Court, Lead Plaintiffs, the DGSE Defendants, and John Benson are hereby authorized to agree to and adopt such amendments or modifications of the Stipulation or any Exhibits attached thereto to effectuate the Settlement that: (i) are not materially inconsistent with this Judgment; and (ii) do not materially limit the rights of Settlement Class Members in connection with the Settlement. Without further order of the Court, Lead Plaintiff, the DGSE Defendants, and John Benson may agree to reasonable extensions of time to carry out any provisions of the Settlement.

19. **Termination:** If the Settlement is terminated as provided in the Stipulation or the Effective Date does not occur, then this Judgment (and any orders of the Court relating to the

Settlement) shall be vacated, rendered null and void and be of no further force or effect, to the extent provided for in the Stipulation.

20. **Entry of Final Judgment:** There is no just reason to delay the entry of this Judgment as a final judgment as against all the Defendants. Accordingly, the Clerk of the Court is expressly directed to immediately enter this final judgment as against all the Defendants. The Settling Parties are hereby directed to perform the terms of the Stipulation. [The Court has duly considered each objection that was filed to the proposed Settlement, and each objection is hereby overruled.]

SO ORDERED this 21st day of Oct., 2013.

The Honorable Jane J. Boyle
United States District Judge

Exhibit 1

[No Settlement Class Members filed timely requests to opt-out of the proposed Settlement by the September 30, 2013 deadline.]

UNITED STATES DISTRICT COURT
DISTRICT OF MINNESOTA

IN RE GREEN TREE FINANCIAL CORPORATION STOCK LITIGATION	Master File No. 97-2666 (JRT/RLE)
THIS DOCUMENT RELATES TO: ALL ACTIONS	
IN RE GREEN TREE FINANCIAL CORPORATION OPTIONS LITIGATION	Master File No. 97-2679 (JRT/RLE)
THIS DOCUMENT RELATES TO: ALL ACTIONS	

ORDER AND FINAL JUDGMENT

AND NOW, on this 18th day of December, 2003, upon consideration of the application of the parties for final approval of Settlement, a hearing having been held before this Court to determine: (1) whether the terms and conditions of the Stipulation of Settlement dated August 19, 2003 (the "Stipulation") are fair, reasonable and adequate for the settlement of all claims asserted by the Stock Class against Green Tree and the Individual Stock Defendants in the Consolidated Amended Complaint (the "Stock Complaint") and the claims asserted by the Options Class against Green Tree and the Individual Options Defendants in the Amended and Consolidated Complaint ("Options Complaint") now pending in this Court under the above captions, and should be approved; (2) whether judgment should be entered dismissing the Stock Complaint and the Options Complaint on the merits and with prejudice in favor of the

Defendants and as against all persons or entities who are Class Members herein who have not requested exclusion therefrom; (3) whether to approve the Plan of Allocation as a fair and reasonable method to allocate the settlement proceeds among the Class Members; and (4) whether and in what amount to award Plaintiffs' Counsel fees and reimbursement of expenses, and it appearing that:

A. By Order dated June 13, 2002, upon stipulation of the parties, the Court certified the Stock Litigation to proceed as a class action under Rules 23(a) and (b)(3) of the Federal Rules of Civil Procedure on behalf of purchasers of Green Tree Financial Corporation ("Green Tree") common stock during the period July 15, 1995 through January 27, 1998 ("Stock Class");

B. By Order dated August 26, 2003, the Court conditionally certified the Options Litigation to proceed as a class action for the purposes of settlement only on behalf of all persons who purchased and/or sold options in the common stock of Green Tree from July 15, 1995 through January 27, 1998 ("Options Settlement Class").

C. The Court has considered all matters submitted to it at the hearing and otherwise;

D. Individual copies of a notice of the hearing substantially in the form approved by the Court were mailed to all persons or entities reasonably identifiable, who may have purchased Green Tree common stock or options during the Class Period, except those persons or entities excluded from the definition of the Classes, as shown by the records of Green Tree's transfer agent, at the respective addresses set forth in such records, and that a summary notice of the hearing substantially in the form approved by the Court was published in The Wall Street Journal pursuant to the direction of the Court;

E. The Court has considered and determined the fairness and reasonableness of the Settlement, the Plan of Allocation and the requested award of attorneys' fees and expenses requested;

F. The Court has jurisdiction over the subject matter of the Actions and the parties. All capitalized terms used herein shall have the meanings defined in the Stipulation;

ACCORDINGLY IT IS HEREBY ORDERED THAT:

1. Pursuant to Fed.R.Civ.P. 23(b)(3), and for the purposes of the settlement only, the Options Litigation is hereby certified as a class action on behalf of all persons who purchased and/or sold options in the common stock of Green Tree from July 15, 1995 through January 27, 1998. Excluded from the Options Settlement Class are Green Tree and any of the Individual Options Defendants or members of their immediate families, any entity in which any of the foregoing has a controlling interest, and the legal representatives, heirs, successors, predecessors, affiliates or assigns of any of them, and all officers and directors of Green Tree.

2. The Court finds that the Options Litigation satisfies the prerequisites for a class action under Fed.R.Civ.P. 23(a) and (b)(3) in that: (a) the members of the Options Settlement Class are so numerous that joinder of all members thereof is impracticable; (b) there are questions of law and fact common to the Options Settlement Class; (c) the claims of the named representatives are typical of the claims of the class they seek to represent; (d) the Options Lead Plaintiffs will fairly and adequately represent the interests of the Options Settlement Class; (e) the questions of law and fact common to the members of the Options Settlement Class predominate over any questions affecting only individual members of the Options Settlement Class; and (f) a class action is superior to other available methods for the fair and efficient adjudication of the controversy.

3. Pursuant to Fed.R.Civ.P. 23, Options Lead Plaintiffs June Shapiro, Steven M. Shapiro, Allan J. and Diane Wertheim, Lora Marin, Martin Marin, Mark Weisman, Joshua L. Drucker, Mami Sanfort, Larry A. and Susan Chinitz, Andrea Riddle, and Canadamerica Finance, Inc. are appointed as representatives of the Options Settlement Class.

4. Notice of the pendency of these Actions as class actions and of the proposed Settlement was given to all Class Members who could be identified with reasonable effort. The form and method of notifying the Classes of the pendency of the Actions as class actions and of the terms and conditions of the proposed Settlement met the requirements of Rule 23 of the Federal Rules of Civil Procedure, Section 21D(a)(7) of the Securities Exchange Act of 1934, 15 U.S.C. § 78u-4(a)(7), as amended by the Private Securities Litigation Reform Act of 1995 ("PSLRA"), due process, and any other applicable law, constituted the best notice practicable under the circumstances, and constituted due and sufficient notice to all persons and entities entitled thereto.

5. The Settlement is approved as fair, reasonable and adequate, and the Class Members and the parties are directed to consummate the Settlement in accordance with the terms and provisions of the Stipulation.

6. The Stock Complaint and the Options Complaint, which the Court finds were filed on a good faith basis in accordance with the PSLRA and Rule 11 of the Federal Rules of Civil Procedure, are hereby dismissed with prejudice and without costs, except as provided in the Stipulation, as against the Defendants.

7. Class Members and the successors and assigns of any of them, are permanently barred and enjoined from instituting, commencing or prosecuting, either directly or in any other capacity, any and all manner of actions, causes of actions, suits, obligations, claims, debts,

demands, agreements, promises, liabilities, damages, losses, controversies, costs, expenses, and attorneys' fees whatsoever, whether in law or in equity and whether based on any federal law, state law, common law or foreign law, right of action or of any other type or form, foreseen or unforeseen, actual or potential, matured or unmatured, known or unknown, accrued or not accrued which each Lead Plaintiff and Class Member, or any of them, ever had, now have, or can have, or shall or may hereafter have, either individually, or as a member of a class, against any and all Released Persons for, based on, by reason of, or arising from or relating to the conduct alleged in either of the Actions, including but not limited to: (i) claims that arise out of any of the facts, transactions, events, occurrences, acts or omissions mentioned or referred to in the Options Complaint or Stock Complaint or in discovery (formal or informal) in the Actions, or other matters that are or could have been set forth, alleged, embraced or otherwise referred to in the Options Complaint or Stock Complaint, or either Action, which could have been brought against Defendants and which relate to a Class Member's purchase or other acquisition of Green Tree common stock or purchase or sale of a Green Tree Option during the Class Period, including all matters encompassed within the releases and covenants not to sue set forth in ¶8 of the Stipulation, and (ii) claims arising out of the prosecution or defense of the Actions, or either of them, including, but not limited to, claims for fraud in the inducement, negligent misrepresentation, or fraud; except that nothing in this Stipulation releases any claim arising out of the violation or breach of the terms of this Stipulation. The Released Claims are compromised, settled, released, discharged and dismissed as against the Released Parties on the merits and with prejudice by virtue of the proceedings herein and this Order and Final Judgment.

A list of those who have timely and properly excluded themselves from the Class is attached to this Order as Exhibit 1.

8. The Released Persons are permanently barred and enjoined from instituting, commencing or prosecuting, either directly or in any other capacity, any and all claims, rights or causes of action or liabilities whatsoever, whether based on federal, state, local, statutory or common law or any other law, rule or regulation, including both known claims and unknown claims, that have been or could have been asserted in the Actions or any forum by the Defendants or any of them or the successors and assigns of any of them against any of the Plaintiffs, Class Members or their attorneys, which arise out of or relate in any way to the institution, prosecution, or settlement of the Actions (the "Settled Defendants' Claims") against any of the Plaintiffs, Class Members or their attorneys. The Settled Defendants' Claims are compromised, settled, released, discharged and dismissed on the merits and with prejudice by virtue of the proceedings herein and this Final Judgment.

9. Neither this Order and Final Judgment, the Stipulation, including all exhibits, nor any terms or provisions of the Stipulation, including the Plan of Allocation, nor any of the communications, negotiations, proceedings or documents produced to Plaintiffs' Counsel in connection with or related to the Stipulation shall be:

a. Construed as or deemed to be evidence of, or a concession or an admission by any Defendant, or to give rise to any sort of inference or presumption of, (i) the truth of any fact alleged or the validity of any claim asserted in the Stock Complaint or Options Complaint or the Actions, (ii) the truth of any fact or claim that has been, or ever could have been, or ever could be asserted in any of the Actions, or (iii) any liability, fault, wrongdoing or misconduct of any type by any Defendant with respect to the Stock Complaint, Options Complaint or Actions;

b. Offered or received into evidence in any proceeding or otherwise submitted to, or referred to in, any court, administrative agency, tribunal or other forum as evidence of, or as a concession or admission by any Defendant of, or as giving rise to any sort of inference or presumption of, any fault, misrepresentation or omission in any oral or written statement or any document, report or financial statement issued, filed, proved, examined, reviewed, considered, reported on, or made by any Defendant;

c. Offered or received into evidence in any proceeding or otherwise submitted to, or referred to in, any court, administrative agency, tribunal or other forum as evidence of, or as a concession or admission by any Defendant of, or as giving rise to any sort of inference or presumption of, any liability, fault, or wrongdoing by any Defendant in any civil, criminal, administrative, arbitral or other proceeding, but may be referred to in such a proceeding only as may be necessary to consummate or enforce this Stipulation;

d. Construed by anyone for any purpose whatsoever as a concession or an admission — or as giving rise to any inference or presumption — of any liability, fault, wrongdoing or misconduct of any sort on the part of any Defendant;

e. Construed as an admission or concession by anyone — or as giving rise to any inference or presumption — that the consideration to be given hereunder represents the amount that could be recovered after trial, or as a release of any person other than Defendants and other Released Persons;

f. Offered or received against the Stock Lead Plaintiffs, the Options Lead Plaintiffs, the Stock Class, the Options Settlement Class or any of their counsel as evidence of any infirmity in the claims of Stock Lead Plaintiffs, Options Lead Plaintiffs, the Stock Class or the Options Settlement Class;

g. Offered or received against the Stock Lead Plaintiffs, Options Lead Plaintiffs, the Stock Class, the Options Settlement Class or any of their counsel as evidence of a presumption, concession or admission with respect to any liability, negligence, fault or wrongdoing, or in any way referred to for any other reason as against them, 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;

h. Construed against the Stock Lead Plaintiffs, Options Lead Plaintiffs, the Stock Class or the Options Settlement Class as an admission or concession that the consideration to be given hereunder represents the amount which could be or would have been recovered after trial; or

i. Construed as or received in evidence as an admission, concession or presumption against the Stock Lead Plaintiffs, the Options Lead Plaintiffs, the Stock Class or the Options Settlement Class or any of them or any of their counsel that any of their claims are without merit or that damages recoverable under the Stock Complaint or the Options Complaint would not have exceeded the Settlement Fund.

10. The Plan of Allocation is approved as fair and reasonable, and Plaintiffs' Counsel and the Claims Administrator are directed to administer the Stipulation in accordance with its terms and provisions.

11. Plaintiffs' counsel are awarded the following fees and expenses with interest from the date such Settlement Fund was funded to the date of payment at the same net rate that the Settlement Fund earns: 33 1/3 % of the Settlement Amount in fees, or $4,180,884.45 which the Court finds to be fair and reasonable, and $510,117.78 in reimbursement of expenses, which amounts shall be paid to Stock Plaintiffs' Co-Lead Counsel from the Settlement Fund. The award of attorneys' fees shall be allocated among plaintiffs' counsel in a fashion which, in the opinion of Stock Plaintiffs' Co-Lead Counsel, fairly compensates Plaintiffs' Counsel for their respective contributions in the prosecution of the Actions.

12. Exclusive jurisdiction is retained over the parties and the Class Members for all matters relating to these Actions, including the administration, interpretation, effectuation or enforcement of the Stipulation and this Order and Final Judgment, and including any application for fees and expenses incurred in connection with administering and distributing the settlement proceeds to the Class Members.

13. Without further order of the Court, the parties may agree to reasonable extensions of time to carry out any of the provisions of the Stipulation.

14. There is no just reason for delay in the entry of this Final Judgment and immediate entry by the Clerk of the Court is expressly directed pursuant to Rule 54 (b) of the Federal Rules of Civil Procedure.

JOHN R. TUNHEIM, U.S.D.J

Green Tree Securities Litigation

REQUESTS FOR EXCLUSION
RECEIVED THROUGH DECEMBER 4, 2003

REFERENCE NUMBER & NAME AND ADDRESS	POSTMARKED & RECEIVED	# OF SHARES	TRADE DATE	PRICE PER SHARE	TOTAL PRICE	COMMENTS
#1 FRANK F COCOZZA, IRA WACHOVIA SECURITIES (CUST) 5 COLTON CIR WEST ORANGE, NJ 07052	09/30/03 10/02/03					
#2 IVAN J GLICK LUELLA S GLICK 6271 SR 655 BELLEVILLE, PA 17004	09/29/03 10/02/03					
#3 LORETTA V BRUNCK WACHOVIA SECURITIES (CUST) 1109 BOULEVARD NEW MILFORD, NJ 07646	10/04/03 10/06/03					ONLY SHARES PURCHASED IN 1997 WERE 100 SHARES

EXHIBIT 1

REQUESTS FOR EXCLUSION
RECEIVED THROUGH DECEMBER 4, 2003

REFERENCE NUMBER & NAME AND ADDRESS	POSTMARKED & RECEIVED	# OF SHARES	TRADE DATE	PRICE PER SHARE	TOTAL PRICE	COMMENTS
#4		**PURCHASES**				
MARILYN J MILLER	10/04/03	101	03/18/96			
	10/08/03	24	03/22/96			
7230 MAPLEWOOD DRIVE		11	05/15/96			
		7	05/22/96			
INDIANAPOLIS, IN 46227						
		SALES				
		93	06/10/97			
		23	07/07/97			
		27	09/09/97			
#5		**PURCHASES**				
ALICE B RICKERT	10/08/03	25	07/29/97	$45.79	$1,144.84	
	10/14/03	10	09/19/97	$47.93	$479.35	
PO BOX 390632						
44860 THUNDER RD						
ANZA, CA 92539						
		SALES				
		25	12/02/97	$30.77	$769.42	
		10	11/20/97	$30.93	$309.36	
		0	/ /	$0.00	$0.00	
#6						
CARL J FARINELLA	10/07/03					
DOLORES J FARINELLA	10/14/03					
2515 E OLIVE ST APT 1K						
ARLINGTON HTS, IL 60004-5191						

REQUESTS FOR EXCLUSION
RECEIVED THROUGH DECEMBER 4, 2003

REFERENCE NUMBER & NAME AND ADDRESS	POSTMARKED & RECEIVED	# OF SHARES	TRADE DATE	PRICE PER SHARE	TOTAL PRICE	COMMENTS
#7 LEGRAND A GOULD BARBARA G GOULD 1517 VISCAINO RD PEBBLE BEACH, CA 93953-3302	10/10/03 10/14/03					
#8 DR. NED N KUEHN (DECEASED) C/O ANNALIESE KUEHN 12308 LAKEWOOD COURT FORT MYERS, FL 33908-2845	10/09/03 10/15/03					
#9 YOUNG, FAMILY TRUST THERESA F YOUNG & WILSON H YOUNG TTEES PO BOX 2107 FAIRFIELD, CA 94533	10/13/03 10/15/03	PURCHASES 100	01/07/97	$36.62	$3,765.19	
		SALES 100	10/16/97	$50.12	$4,896.83	

REQUESTS FOR EXCLUSION
RECEIVED THROUGH DECEMBER 4, 2003

REFERENCE NUMBER & NAME AND ADDRESS	POSTMARKED & RECEIVED	# OF SHARES	TRADE DATE	PRICE PER SHARE	TOTAL PRICE	COMMENTS
#10 RUTH M VAUGHN (ESTATE) LINDSAY L NORRIS (EXECUTRIX) TTEE FOR JEFFREY VAUGHN TR 1846 CORTLANDT HOUSTON, TX 77008	10/14/03 10/17/03					
#11 JOHN JANCI ANNA JANCI 7733 WABELMONT AVE ELMWOOD PARK, IL 60707	10/14/03 10/17/03	**PURCHASES** 380	01/22/96	$26.00	$10,113.23	
		SALES 380	05/28/96	$33.25	$12,371.00	
#12 JANE P GLEASON 425 WEST SWON AVE ST LOUIS, MO 63119-3636	10/14/03 10/17/03					1,000 SHARES INHERITED ON 1/14/98

REQUESTS FOR EXCLUSION
RECEIVED THROUGH DECEMBER 4, 2003

REFERENCE NUMBER & NAME AND ADDRESS	POSTMARKED & RECEIVED	# OF SHARES	TRADE DATE	PRICE PER SHARE	TOTAL PRICE	COMMENTS
#13 LLOYD D ASHFORD 855 TROSPER RD SW 108-120 TUMWATER, WA 98512	10/15/03 10/20/03					
#14 DANIEL J PASEK FRANCES M PASEK TTEES DANIEL J & FRANCES M PASEK 1359 CEDARVIEW DRIVE CLAREMONT, CA 91711-3049	10/15/03 10/20/03	**PURCHASES** 100 100 **SALES** 200	11/21/97 01/27/98 02/17/98	$31.50 $18.00 $23.50	$3,199.50 $1,849.50 $4,621.52	
#15 ELIZABETH A DAVIS 3301 NE IRVING PORTLAND, OR 97232	10/15/03 10/20/03	**PURCHASES** 175 **SALES** 175	05/19/97 06/19/97	$34.12 $36.75	$5,971.88 $6,431.25	

REQUESTS FOR EXCLUSION
RECEIVED THROUGH DECEMBER 4, 2003

REFERENCE NUMBER & NAME AND ADDRESS	POSTMARKED & RECEIVED	# OF SHARES	TRADE DATE	PRICE PER SHARE	TOTAL PRICE	COMMENTS
#16		**PURCHASES**				
JAN VAN DEN WIJNGAERT	10/17/03 10/22/03	490	02/11/96	$29.75	$14,922.55	
ZANDSTRAAT 5 B - 3140 KEERBERGEN BELGIUM,		**SALES**				
		490	12/03/96	$40.62	$19,478.19	
#17						
JOSEPH L GARRETT	10/23/03 10/27/03					
206 5TH JPV ST WINTER HAVEN, FL 33880-1211						
#18						
ROBERT C MERCER MARY I MERCER	10/22/03 10/27/03					
3435 CLEMENT AVE STOCKTON, CA 95204-1218						

REQUESTS FOR EXCLUSION
RECEIVED THROUGH DECEMBER 4, 2003

REFERENCE NUMBER & NAME AND ADDRESS	POSTMARKED & RECEIVED	# OF SHARES	TRADE DATE	PRICE PER SHARE	TOTAL PRICE	COMMENTS
#19		**PURCHASES**				
PAULA M SEXTON	10/24/03 10/27/03	700	05/28/97	$33.75	$23,625.00	
1721 CLAY ST						
CEDAR FALLS, IA 50613						
		SALES				
		700	12/17/97	$23.93	$16,756.25	

Total: 19	**Total Shares Purchased:**	**2,223**	**Total Dollar Amount Purchased:**	**$69,745.80**
	Total Shares Sold:	**2,223**	**Total Dollar Amount Sold:**	**$71,114.23**

IN THE UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF TEXAS
MARSHALL DIVISION

IN RE PILGRIM'S PRIDE CORPORATION SECURITIES LITIGATION	MASTER FILE NO. 2:08-CV-00419-JRG

ORDER AND FINAL JUDGMENT

WHEREAS, a consolidated class action is pending in this Court captioned *In re Pilgrim's Pride Corporation Securities Litigation*, Master File No. 2:08-CV-00419-DF (the "Action"); and

WHEREAS, this matter came before the Court for hearing pursuant to the Order Preliminarily Approving Settlement dated January 23, 2012 (the "Preliminary Approval Order"), on the application of the parties for approval of the Settlement set forth in the Stipulation and Agreement of Settlement dated November 14, 2011 (the "Stipulation") entered into by plaintiffs, Montgomery County Retirement Board and Cambria County Retirement Board (together, the "Lead Plaintiffs"), on behalf of themselves and the Class (as defined herein), and the following defendants: Lonnie "Bo" Pilgrim, J. Clinton Rivers, Richard A. Cogdill, Lonnie Ken Pilgrim, Charles L. Black, Linda Chavez, S. Key Coker, Keith W. Hughes, Blake D. Lovette, Vance C. Miller, Sr., James G. Vetter, Jr. and Donald L. Wass Ph.D (the "Defendants"), by and through their respective counsel; and

WHEREAS, due and adequate notice having been given to the Class, which was certified by the Court for settlement purposes in the Preliminary Approval Order, and the Court having considered all papers filed and proceedings had herein and otherwise being fully informed in the premises and good cause appearing therefore;

IT IS HEREBY ORDERED, ADJUDGED AND DECREED as follows:

1. This Order and Final Judgment (the "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.

2. This Court has jurisdiction over the subject matter of the Action, and over all Parties to the Action, including all members of the Class.

3. The Court hereby affirms its determinations in the Preliminary Approval Order certifying, for purposes of the Settlement only, the Action as a class action pursuant to Rules 23(a) and (b)(3) of the Federal Rules of Civil Procedure on behalf of all persons and entities who purchased or otherwise acquired the common stock of Pilgrim's Pride Corporation ("Pilgrim's Pride") from May 5, 2008 to October 28, 2008, inclusive, including all persons and entities who purchased the common stock of Pilgrim's Pride pursuant and/or traceable to any registration statement, prospectus, prospectus supplement or any documents therein incorporated by reference filed with the U.S. Securities and Exchange Commission in connection with the Company's May 14, 2008 secondary offering, and who were damaged thereby. Excluded from the Class are (i) the Company and the Defendants; (ii) members of the immediate family of each of the Defendants; (iii) the subsidiaries or affiliates of the Company or any of the Defendants; (iv) any person or entity who is, or was during the Class Period, a partner, officer, director, employee or controlling person of the Company or any of the Defendants; (v) any entity in which the Company or any of the Defendants has a controlling interest; and (vi) the legal representatives, heirs, successors or assigns of any such excluded person or entity. Also excluded from the Class are all persons and entities who exclude themselves from the Settlement by timely requesting exclusion in accordance with the requirements set forth in the Notice.

4. Pursuant to Rule 23 of the Federal Rules of Civil Procedure, and for purposes of the Settlement only, the Court hereby affirms its determinations in the Preliminary Approval Order certifying Lead Plaintiffs Montgomery County Retirement Board and Cambria County Retirement Board as Class Representatives for the Class and appointing Kessler Topaz Meltzer & Check, LLP as Class Counsel for the Class.

5. The Notice of Pendency of Class Action and Proposed Settlement, Motion for Attorneys' Fees and Expenses and Settlement Fairness Hearing ("Notice") has been given to the Class, pursuant to and in the manner directed by the Preliminary Approval Order, proof of the mailing of the Notice was filed with the Court by Lead Counsel, and a full opportunity to be heard has been offered to all Parties, the Class, and Persons in interest. The form and manner of the Notice is hereby determined to have been the best notice practicable under the circumstances and to have been given in full compliance with each of the requirements of FED. R. CIV. P. 23, and it is further determined that all members of the Class are bound by the Judgment herein.

6. The Settlement, and all transactions preparatory or incident thereto, is found to be fair, reasonable, adequate, and in the best interests of the Class, and it is hereby approved. The Parties to the Stipulation are hereby authorized and directed to comply with and to consummate the Settlement in accordance with its terms and provisions; and the Clerk of this Court is directed to enter and docket this Judgment in the Action.

7. The Action and all claims included therein, as well as all of the Released Claims (defined in the Stipulation and in Paragraph 8(b) below) are dismissed with prejudice as to Lead Plaintiffs and the other members of the Class, and as against each and all of the Released Parties (defined in the Stipulation and in Paragraph 8(a) below). The Parties are to bear their own costs, except as otherwise provided in the Stipulation.

8. As used in this Judgment, the terms "Released Parties," "Released Claims," "Settled Parties' Claims," and "Unknown Claims" shall have the meanings as provided in the Stipulation, and specified below:

(a) "Released Parties" means the Company, the Defendants and the current and former officers, directors, partners, members, parents, subsidiaries, controlling persons, affiliates, employees, agents, attorneys, auditors, underwriters, insurers, representatives, heirs, predecessors, successors in interest and assigns of the Company or any Defendant.

(b) "Released Claims" means any and all claims, debts, demands, rights or causes of action or liabilities whatsoever, whether based on federal, state, common or foreign law or any other law, rule or regulation, whether fixed or contingent, accrued or un-accrued, liquidated or un-liquidated, at law or in equity, matured or un-matured, whether class, and/or individual in nature, including both known claims and Unknown Claims, that: (i) have been asserted in this Action by Lead Plaintiffs and/or the members of the Class or any of them against any of the Released Parties; or (ii) could have been asserted in any forum by Lead Plaintiffs and/or the members of the Class or any of them against any of the Released Parties which arise out of or are based upon the allegations, transactions, facts, matters or occurrences, representations or omissions involved, set forth, or referred to in the Complaint and which relate to the purchase or acquisition of the common stock of Pilgrim's Pride during the Class Period.

(c) "Settled Parties' Claims" means any and all claims, debts, demands, rights or causes of action or liabilities whatsoever, whether based on federal, state, foreign or common law or any other law, rule or regulation, whether fixed or contingent, accrued or un-accrued, liquidated or un-liquidated, at law or in equity, matured or un-matured, whether class and/or individual in nature, including both known claims and Unknown Claims, that have been or could

have been asserted in the Action or any forum by the Released Parties or any of them or the successors and assigns of any of them against the Lead Plaintiffs, any Class Member or their attorneys, which arise out of or relate in any way to the institution, prosecution, or settlement of the Action (except for claims to enforce the Settlement).

(d) "Unknown Claims" means any and all Released Claims that Lead Plaintiffs and/or any Class Member does not know or suspect to exist in his, her or its favor as of the Effective Date and any Settled Parties' Claims that any Released Party does not know or suspect to exist in his, her or its favor as of the Effective Date, which if known by him, her or it might have affected his, her or its decision(s) with respect to the Settlement. With respect to any and all Released Claims and Settled Parties' Claims, the Parties stipulate and agree that upon the Effective Date, Lead Plaintiffs and Defendants shall expressly waive, and each Class Member and Released Party shall be deemed to have waived, and by operation of the Judgment shall expressly have waived, any and all provisions, rights and benefits conferred by any law of any state of the United States, or principle of common law or otherwise, which is similar, comparable, or equivalent to California Civil Code § 1542, which provides:

> A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor.

The Parties acknowledge, and Class Members and Released Parties by operation of law shall be deemed to have acknowledged, that the inclusion of "Unknown Claims" in the definition of Released Claims and Settled Parties' Claims was separately bargained for and was a key element of the Settlement.

9. Upon the Effective Date of the Settlement, Lead Plaintiffs and members of the Class, on behalf of themselves and each of their heirs, executors, administrators, successors and

assigns, shall, with respect to each and every Released Claim, release and forever discharge, and shall forever be enjoined from prosecuting, any Released Claims against any of the Released Parties.

10. Upon the Effective Date of the Settlement, each of the Released Parties, on behalf of themselves and each of their heirs, executors, administrators, successors and assigns, shall, with respect to each and every Settled Parties' Claim, release and forever discharge, and shall forever be enjoined from prosecuting any of the Settled Parties' Claims.

11. The Stipulation and all negotiations, statements, and proceedings in connection therewith shall not, in any event, be construed or deemed to be evidence of an admission or concession on the part of the Lead Plaintiffs, any Defendant, any member of the Class, or any other Person, of any liability or wrongdoing of any nature by them, or any of them, and shall not be offered or received in evidence in any action or proceeding (except an action to enforce the Stipulation and Settlement contemplated thereby), or be used in any way as an admission, concession, or evidence of any liability or wrongdoing of any nature, and shall not be construed as, or deemed to be evidence of, an admission or concession that the Lead Plaintiffs, any member of the Class, or any other Person, has or has not suffered any damage.

12. The Plan of Allocation is approved as fair and reasonable, and Lead Counsel and the Claims Administrator are directed to administer the Settlement in accordance with the terms and provisions of the Stipulation.

13. The Court finds that all Parties and their counsel have complied with each requirement of the Private Securities Litigation Reform Act of 1995 and Rule 11 of the Federal Rules of Civil Procedure as to all proceedings herein.

14. Only those Class Members filing valid Proof of Claim and Release forms ("Proofs of Claim") shall be entitled to participate in the Settlement and to receive a distribution from the Settlement Fund. The Proof of Claim to be executed by the Class Members shall further release all Released Claims against the Released Parties. All Class Members shall, as of the Effective Date, be bound by the releases set forth herein whether or not they submit a valid and timely Proof of Claim.

15. No Authorized Claimant shall have any claim against Lead Plaintiffs, Plaintiffs' Counsel, the Claims Administrator, or any other agent designated by Lead Counsel based on the distributions made substantially in accordance with the Settlement and Plan of Allocation as approved by the Court and further orders of the Court. No Authorized Claimant shall have any claim against the Defendants, Defendants' Counsel, or any of the Released Parties with respect to the investment or distribution of the Net Settlement Fund, the determination, administration, calculation or payment of claims, the administration of the escrow account, or any losses incurred in connection therewith, the Plan of Allocation, or the giving of notice to Class Members.

16. Any order approving or modifying the Plan of Allocation set forth in the Notice or the application for attorneys' fees and expenses shall not disturb or affect the finality of this Judgment, the Stipulation or the Settlement contained therein.

17. Lead Counsel is hereby awarded attorneys' fees in the amount of 16% of the Settlement Fund, which sum the Court finds to be fair and reasonable. Lead Counsel is hereby awarded a total of $27,564.37 in reimbursement of expenses. The foregoing awards of fees and expenses shall be paid to Lead Counsel from the Settlement Fund, and such payment shall be made at the time and in the manner provided in the Stipulation, with interest from the date the

Settlement Amount was funded to the date of payment at the same net rate that interest is earned by the Settlement Fund. The award of attorneys' fees and expenses shall be allocated among Plaintiffs' Counsel in a fashion which, in the opinion of Lead Counsel, fairly compensates Plaintiffs' Counsel for their respective contributions in the prosecution of the Action.

18. In making this award of attorneys' fees and reimbursement of expenses to be paid from the Settlement Fund, the Court has considered and found that:

a. the Settlement has created a fund of $1,500,000 in cash that is already on deposit, plus interest thereon, and that numerous Class Members who submit acceptable Proofs of Claim will benefit from the Settlement;

b. Over 34,400 copies of the Notice were disseminated to putative Class Members indicating that Lead Counsel was moving for attorneys' fees not to exceed 16% of the Settlement Fund and reimbursement of expenses from the Settlement Fund in a total amount not to exceed $50,000, and not a single objection was filed against the terms of the proposed Settlement or the ceiling on the fees and expenses contained in the Notice;

c. Lead Counsel has conducted the litigation and achieved the Settlement with skill, perseverance and diligent advocacy;

d. The Action involves complex factual and legal issues and was actively prosecuted for several years and, in the absence of a settlement, would involve further lengthy proceedings with uncertain resolution of the complex factual and legal issues;

e. Had Lead Counsel not achieved the Settlement there would remain a significant risk that Lead Plaintiffs and the Class may have recovered less or nothing at all from the Defendants;

f. Lead Counsel and Liaison Counsel have devoted over 1,584 hours, with a lodestar value of $713,818.75, to the prosecution of the Action to achieve the Settlement; and

g. The amount of attorneys' fees awarded and expenses reimbursed from the Settlement Fund are fair and reasonable and consistent with awards in similar cases.

19. Without affecting the finality of this Judgment in any way, the Court reserves exclusive and continuing jurisdiction over the Action, the Lead Plaintiffs, the Class, and the Released Parties for the purposes of: (1) supervising the implementation, enforcement, construction, and interpretation of the Stipulation, the Plan of Allocation, and this Judgment; (2) hearing and determining any application by Lead Counsel for an award of attorneys' fees and expenses; and (3) supervising the distribution of the Settlement Fund.

20. In the event that the Settlement does not become effective in accordance with the terms of the Stipulation or in the event that the Settlement Fund, or any portion thereof, is returned to the Defendants, 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. There is no reason for delay in the entry of this Judgment and immediate entry by the Clerk of the Court is expressly directed pursuant to Rule 54(b) of the Federal Rules of Civil Procedure.

So ORDERED and SIGNED this 2nd day of May, 2012.

RODNEY GILSTRAP
UNITED STATES DISTRICT JUDGE

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

IN RE VAN DER MOOLEN HOLDING N.V. SECURITIES LITIGATION	)	Civil Action No. 1:03-CV-8284 (RWS)

~~[PROPOSED]~~ ORDER AWARDING ATTORNEYS' FEES AND REIMBURSEMENT OF EXPENSES

This matter came before the Court for hearing pursuant to an Order of this Court, dated October 6, 2006, on the application of the Parties for approval of the settlement (the "Settlement") set forth in the Stipulation of Settlement, dated as of October 3, 2006 (the "Stipulation"). Due and adequate notice having been given of the Settlement as required in said Order, and the Court having considered all papers filed and proceedings held herein and otherwise being fully informed in the premises and good cause appearing therefore, IT IS HEREBY ORDERED, ADJUDGED AND DECREED that:

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

2. This Court has jurisdiction over the subject matter of the Action and over all parties to the Action, including all Settlement Class Members.

3. The Court finds that Co-Lead Counsels' request for attorneys' fees is fair and reasonable, and that the request is supported by the relevant factors, which have been considered by this Court. The Court finds that the fee request is supported by, *inter alia*, the following:

(a) the Settlement provides for an $8 million cash fund, plus interest, (the "Gross Settlement Fund"); and that Settlement Class Members who file timely and valid claims will benefit from the Settlement created by Co-Lead Counsel;

(b) the Summary Notice was published over the *Primezone Media Network* newswire; and over 4,800 copies of the Notice were disseminated to putative Settlement Class Members indicating that at the December 6, 2006 hearing, Plaintiffs' Counsel intended to seek up to 33⅓% of the $8 million Gross Settlement Fund in attorneys' fees and to seek reimbursement of their expenses in an amount not to exceed $180,000, plus interest, and no objection was filed against either the terms of the proposed Settlement or the fees and expenses to be requested by Plaintiffs' Counsel;

(c) Plaintiffs' Counsel have devoted 3,965 hours, with a lodestar value of $1,493,003.66, to achieve the Settlement;

(d) Co-Lead Plaintiffs faced complex factual and legal issues in this Action, which they have actively prosecuted for almost three years, and in the absence of a Settlement, would be required to overcome many complex factual and legal issues;

(e) if Co-Lead Counsel had not achieved the Settlement, there was a risk of either nonpayment or of achieving a smaller recovery;

(f) Co-Lead Counsel have conducted this litigation and achieved the Settlement with skill and efficiency;

(g) the amount of attorneys' fees awarded and expenses reimbursed from the Gross Settlement Fund are consistent with the awards in similar cases; and

(h) public policy considerations support encouraging the legal community to continue to undertake similar litigations.

4. Plaintiffs' Counsel are hereby awarded 33 1/3% of the Gross Settlement Fund as and for their attorneys' fees, which sum the Court finds to be fair and reasonable. Plaintiffs' Counsel are also hereby awarded $ 125,657.45 in reimbursement of their reasonable expenses, incurred in the course of prosecuting this action, from the Gross Settlement Fund, together with interest from the date the Settlement Fund was funded to the date of payment at the same net rate that the

Settlement Fund earns. The above amounts shall be paid to Co-Lead Counsel pursuant to the terms of the Stipulation, from the Gross Settlement Fund. The award of attorneys' fees shall be allocated among Plaintiffs' Counsel in a fashion which, in the opinion and sole discretion of Co-Lead Counsel, fairly compensates Plaintiffs' Counsel for their respective contributions to the prosecution of the Action.

5. In the event that the Settlement does not become effective in accordance with the terms of the Stipulation or the Settlement Effective Date does not occur, then this Order 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 and the Parties shall be returned to the *status quo ante*.

Dated: New York, New York, January 6 2006

THE HONORABLE ROBERT W. SWEET
UNITED STATES DISTRICT JUDGE

Submitted by:

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