

This Stipulation of Settlement, as dated below (the “Stipulation” or “Settlement Agreement”), is made and entered into by and among the following Settling Parties to the above-entitled Action: (i) Lead Plaintiffs Puerto Rico Government Employees and Judiciary Retirement Systems Administration, Craig B. Laub, J.D. Pisut, and Sandra Redfern (collectively “Plaintiffs” or “Lead Plaintiffs”) and (ii) Defendant Marcum, LLP (“Marcum”), including its alleged predecessor Stonefield Josephson, Inc. (“Stonefield”) (“Defendant”), by and through their counsel of record in the Action. Subject to the approval of the Court, the Stipulation is intended by the Settling Parties to fully, finally, and forever resolve, discharge, and settle the Action and Released Claims as defined below, upon and subject to the terms and conditions hereof (the “Settlement”). All capitalized terms in this Stipulation shall have the meanings specified for them herein.

I. THE FUQI LITIGATION

On March 19, 2010, a purported class action captioned *Mahapatra v. Fuqi International, Inc. et al.*, was filed in this Court (the “Fuqi Litigation”) alleging claims under the federal securities laws against Fuqi International, Inc. (“Fuqi” or the “Company”), certain of its officers and directors, and the underwriters for its secondary offering filed with the United States Securities and Exchange Commission on Form S-3 and declared effective on July 22, 2009 (the “Secondary Offering”). Thereafter, nine additional complaints were filed in the United States District Court for the Southern District of New York, on behalf of all persons, other than those defendants¹, who purchased the common stock of Fuqi during the period May 15, 2009 to March 19, 2010, inclusive, seeking to pursue claims under the Securities Exchange Act of 1934 (the

¹ Defendants in the Fuqi Litigation were Fuqi, Yu Kwai Chong, Ching Wan Wong, Lie Xi Zhuang, Lily Lee Chen, Eileen B. Brody, Victor A. Hollander, Jeff Haiyong Liu, William Blair & Co., Oppenheimer & Co. Inc., and Cowen and Company (collectively, the “Fuqi Defendants”). Marcum was not named as a defendant in the Fuqi Litigation.

“Exchange Act”) and/or on behalf of all persons, other than those defendants, who purchased Fuqi common stock in the Company’s Secondary Offering seeking to pursue remedies under the Securities Act of 1933 (the “Securities Act”). Those cases were consolidated on July 26, 2010. In the same Order, the Court appointed Puerto Rico Government Employees and Judiciary Retirement Systems Administration, Craig B. Laub, J.D. Pisut, and Sandra Redfern as Lead Plaintiffs in the Action and designated Abraham, Fruchter & Twersky, LLP as Lead Counsel.

Subsequently, based on an agreement among the parties in the Fuqi Litigation, the Court approved a stipulation that any amended complaint would be filed 45 days after Fuqi publicly filed its restated financial statements for the first three quarters of 2009 and filed its 2009 Form 10-K.

While awaiting Fuqi’s restatement to be filed, Plaintiffs began discussions with Stonefield and entered into a tolling agreement with Stonefield dated January 5, 2011, which tolled the filing of claims against it relating to the Fuqi Litigation until October 22, 2013. Subsequently, the Settling Parties extended the tolling agreement for an additional year until October 22, 2014.

The parties to the Fuqi Litigation initially attempted to conduct a mediation in 2011, but that scheduled session was cancelled by Fuqi. It eventually was re-scheduled and Plaintiffs and Fuqi participated in a formal mediation on December 12, 2013 in Newport Beach, California, before the Honorable Layn Phillips (USDJ, Ret.). Following a full day of mediation, which lasted until the evening hours, Plaintiffs and the Fuqi Defendants, with the assistance of Judge Phillips, ultimately reached agreement to settle the action for \$7.5 million.

On November 7, 2014, Plaintiffs filed an unopposed motion for preliminary approval of Settlement of the Fuqi Litigation. The Court entered a Preliminarily Approval Order on

November 21, 2014, which, among other things, preliminarily certified the Fuqi Litigation Class. The Court also approved the form and content of the Notice, Proof of Claim and Summary Notice. Pursuant to the Court's order, Notice was sent to the Fuqi Litigation Class.

A motion for Final Approval of the Settlement in the Fuqi Litigation was filed with the Court on January 16, 2015. A final approval hearing, scheduled for February 19, 2015 was adjourned by the Court. Additional information was provided by Plaintiffs' Counsel to the Court in response to certain inquiries. On July 2, 2015, the Court ordered that an amended motion for Final Approval of the Settlement of the Fuqi Litigation be filed by September 1, 2015. On August 31, 2015, such amended motion was filed. A hearing on Plaintiffs' motion was held on February 18, 2016, and the Court approved the settlement.

Stonefield Litigation

After agreement was reached to resolve the Fuqi Litigation and as the expiration of the tolling agreement with Stonefield was approaching, the Settling Parties began having discussions about the possibility of resolving the Action. The Plaintiffs sent a demand letter to Stonefield, setting forth a detailed explanation of the basis for their claims of liability and damages, and Stonefield provided an equally detailed response as to why it was not liable and that damages would not be shown. The Settling Parties held a series of back-and-forth discussions at that time, but did not reach agreement.

On March 13, 2015, Plaintiffs filed a complaint against Marcum² alleging violations of the Securities Act and the Exchange Act (the "Complaint"). The Complaint alleged, *inter alia*, that Stonefield knew about Fuqi's lack of internal controls and accounting problems, yet it still

² Plaintiffs filed an action against Marcum, LLP, based upon plaintiffs' claim that Marcum, LLP is a purported successor of Stonefield. Marcum and Stonefield deny that assertion.

gave its consent in Fuqi's Secondary Offering. The Settling Parties continued to hold periodic discussions after the Complaint was filed, including about engaging in a possible mediation.

On July 13, 2015, Plaintiffs and Marcum entered into a Stipulation in which service of the Complaint on Marcum was deemed effective as of June 30, 2015; deferring Marcum's need to answer or move with respect to the Complaint, or any amended complaint, until thirty (30) days after either party concluded, upon written notice, that the action cannot be resolved through mediation. The Court approved that stipulation on August 11, 2015.

The Settling Parties continued discussions and agreed to mediate. On December 15, 2015, Plaintiffs and Defendant participated in a formal mediation in Newport Beach, California, before Judge Phillips. Following a full day of mediation, the parties, with the assistance of Judge Phillips, ultimately reached agreement to settle the action for \$1.1 million.

In connection with the proposed Settlement, Plaintiffs will file an amended class action complaint, which Plaintiffs had intended to file had the Action not settled.

II. DEFENDANT'S DENIALS OF WRONGDOING AND LIABILITY

Defendant has expressly denied and continues to deny all charges of wrongdoing or liability arising out of any of the conduct, statements, acts or omissions alleged, or that could have been alleged, in the Complaint, or that it is a successor to Stonefield. Specifically, Defendant has denied, and continues to deny, *inter alia*, the allegations that Plaintiffs or the Class have suffered damages, that the price of Fuqi common stock was artificially inflated by reasons of alleged misrepresentations, non-disclosures or otherwise, or that the Lead Plaintiffs or the Class were harmed by the conduct alleged in the Complaint. Defendant believes that the evidence would support its position that it acted properly at all times and that the Action is without merit. Defendant also asserts certain defenses. Pursuant to the terms set forth below, this Stipulation shall in no event be construed as or deemed to be evidence of an admission or

concession by Defendant with respect to any claim of fault, liability, wrongdoing, or damage whatsoever, may not be construed to contain any admission against the interests of Defendant as governed by Fed. R. Evid. 408 and similar Rules of Evidence, and may be used only to effect a settlement of this Action.

Defendant has concluded that further litigation would be protracted and expensive, and that it is desirable that the Action be fully and finally settled in the manner and upon the terms and conditions set forth in this Stipulation. Defendant also has taken into account the uncertainty and risks inherent in any litigation, especially in complex cases like this Action. Defendant has, therefore, determined that it is desirable and beneficial that the Action be settled in the manner and upon the terms and conditions set forth in this Stipulation, without in any way acknowledging any wrongdoing, fault, liability or damage to Lead Plaintiffs or the Class.

III. CLAIMS OF PLAINTIFFS AND BENEFITS OF SETTLEMENT

Plaintiffs believe that the claims asserted in the Action have merit and that the evidence developed to date supports the claims asserted. However, counsel for Plaintiffs recognize and acknowledge the expense and length of continued proceedings necessary to prosecute the Action against Defendant through trial and through appeals. Plaintiffs have taken into account the uncertain outcome and the risk of any litigation, especially in complex actions such as this Action, and the difficulties and delays inherent in such litigation. Plaintiffs are mindful of the inherent problems of proof under, and possible defenses to, the claims of securities law violations asserted in the Action. Plaintiffs have also considered the wasting nature of Defendant's insurance coverage. Plaintiffs believe that the Settlement set forth in the Stipulation confers substantial benefits upon the Class. Based on their evaluation, Plaintiffs and counsel for Plaintiffs have determined that the Settlement set forth in the Stipulation is in the best interests of Plaintiffs and the Class and, therefore, determined that it is desirable and beneficial to Plaintiffs

and the Class that the Litigation be settled upon the terms and conditions set forth in this Stipulation.

IV. TERMS OF STIPULATION AND AGREEMENT OF SETTLEMENT

NOW, THEREFORE, IT IS HEREBY STIPULATED AND AGREED by and among Plaintiffs (for themselves and the Class Members) and Defendant by and through their respective counsel or attorneys of record, that, subject to the approval of the Court, the Action and the Released Claims shall be finally and fully compromised, settled and released, and the Action shall be dismissed with prejudice, upon and subject to the terms and conditions of the Stipulation, as follows.

1. Definitions

As used in the Stipulation, the following terms have the meanings specified below. In the event of any inconsistency between any definition set forth below and any definition set forth in any document attached as an exhibit to this Stipulation, the definition set forth below shall control.

1.1 “Authorized Claimant” means any Class Member or Subclass Member who, in accordance with the terms of this Stipulation, is entitled to a distribution from the Settlement Fund pursuant to any Plan of Allocation or any order of the Court.

1.2 “Fuqi” or the “Company” means Fuqi International, Inc.

1.3 “Claims Administrator” means Angeion Group, which is the third party administrator retained by Lead Counsel to provide notice to the Class Members and Subclass Members and administer the Settlement.

1.4 “Class” means, for purposes of this Settlement only, all persons or entities who purchased or otherwise acquired Fuqi’s common stock from May 15, 2009 through and including March 27, 2011, and who were damaged thereby. Excluded from the Class are Defendant, its

agents, representatives, predecessors, successors, subsidiaries, affiliated entities, partners, limited liability partners or members, shareholders, directors, officers, at all relevant times, members of the immediate families of the partners, limited liability partners or members, shareholders, directors, officers of Defendant, any entity in which the Defendant has or had a legal controlling interest, and the legal representatives, heirs, successors, or assigns of Defendant. Also excluded from the Class are the Defendants in the Fuqi Litigation (the “Fuqi Defendants”), Fuqi’s officers and directors, at all relevant times, members of their immediate families, any entity in which any of the Fuqi Defendants has or had a legal controlling interest, and the legal representatives, heirs, successors, or assigns of any of the Fuqi Defendants. The Subclass is included in the definition of the Class.

1.5 “Class Member” or “Member of the Class” means a Person who falls within the definition of the Class as set forth in ¶1.4 above and who does not validly request exclusion from the Class in accordance with the procedures to be established by the Court in connection with the approval of this Stipulation and the Settlement.

1.6 “Class Period” means the period between May 15, 2009 through March 27, 2011, inclusive.

1.7 “Complaint” means the Amended Class Action Complaint to be filed in this Action.

1.8 “Court” means the United States District Court for the Southern District of New York.

1.9 “Defendant” means Marcum, LLP, including its alleged predecessor Stonefield Josephson, Inc., and their partners, limited liability partners, shareholders and members.

1.10 “Effective Date” means the first date by which all of the events and conditions specified in ¶7.1 of this Stipulation have been met and have occurred.

1.11 “Escrow Agent” means the Claims Administrator, or its respective successors, or such other person or entity designated by the Court.

1.12 “Final” means, with respect to any order of the Court, including, without limitation, the Judgment, that such order represents a final and binding determination of all issues within its scope and is not subject to further review on appeal or otherwise. Without limitation, an order becomes “Final” when: (a) no appeal has been filed and the prescribed time for commencing any appeal has expired; or (b) an appeal has been filed and either (i) the appeal has been dismissed and the prescribed time, if any, for commencing any further appeal has expired, or (ii) the order has been affirmed in its entirety and the prescribed time, if any, for commencing any further appeal has expired; or (c) there has been a final adjudication within the meaning of the Federal Rules of Civil Procedure, the Federal Rules of Appellate Procedure, and federal law. For purposes of this paragraph, an “appeal” includes appeals as of right, discretionary appeals, interlocutory appeals, proceedings involving writs of *certiorari* or *mandamus*, and any other proceedings of like kind. Any appeal or other proceeding pertaining to any order adopting or approving a Plan of Allocation, or to any order issued in respect of an application for attorneys’ fees and expenses, or to an order issued in respect to an application for reimbursement of Plaintiffs’ expenses, pursuant to ¶¶6.1 and 6.2 below, shall not in any way delay or preclude the Judgment from becoming Final.

1.13 “Marcum” means Marcum, LLP, and its partners, limited liability partners and members.

1.14 “Marcum’s Counsel” means the law firm of Garrett & Tully, P.C.

1.15 “Judgment” means the judgment to be rendered by the Court, in the form attached as Exhibit B hereto.

1.16 “Lead Plaintiffs” means Puerto Rico Government Employees and Judiciary Retirement Systems Administration, Craig B. Laub, J.D. Pisut, and Sandra Redfern.

1.17 “Action” means *Puerto Rico Government Judiciary Employees Retirement Sys. v. Marcum, LP*, Case No. 15 Civ. 01938 (DAB).

1.18 “Person” means an individual, corporation, limited liability company, professional corporation, partnership, limited partnership, limited liability 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 together with their spouses, heirs, predecessors, successors, representatives, or assignees of any of the foregoing.

1.19 “Plaintiffs” means Lead Plaintiffs Puerto Rico Government Employees and Judiciary Retirement Systems Administration, Craig B. Laub, J.D. Pisut, and Sandra Redfern.

1.20 “Lead Counsel” or “Class Counsel” means the law firm of Abraham, Fruchter & Twersky, LLP.

1.21 “Plan of Allocation” means a plan or formula of allocation of the Settlement Fund, to be approved by the Court, whereby the Settlement Fund shall be distributed to Authorized Claimants after payment of or provision for expenses of notice and administration of the Settlement, Taxes and Tax Expenses, and such attorneys’ fees, costs, expenses, and interest, and awards to Lead Plaintiffs, as may be awarded by the Court. Any Plan of Allocation is not part of the Stipulation and the Released Persons shall not have any responsibility or liability with respect thereto.

1.22 “Proof of Claim and Release” means the form to be sent to Class Members and Subclass Members, in the form attached as Exhibit A-2 hereto, upon further order(s) of the Court, by which any Class Member or Subclass Member may make claims against the Settlement Fund for damages allegedly incurred by reason of their investment(s) in Fuqi common stock.

1.23 “Released Claims” means any and all past or present claims (including Unknown Claims), complaints, demands, losses, obligations, judgments, suits, matters, rights, liabilities, allegations of liability, restitution, and causes of action of every kind or nature whatsoever (including, but not limited to, all claims for damages, interest, attorneys’ fees and expert consulting fees and all other costs, expenses and liabilities whatsoever), whether based at law or in equity, on federal, state, local, foreign, statutory or common law or on any other law, rule, or regulation (including, but not limited to, any claims arising under federal, state or foreign law, common law, statute, rule, or regulation arising out of or relating to any acts, omissions, disclosures, public filings, registration statements, financial statements, audit opinions, or statements of any kind by the Defendant, and those people acting under its control, including without limitation, claims for negligence, gross negligence, constructive or actual fraud, violations of the federal or state securities laws, negligent misrepresentation, conspiracy, or breach of fiduciary or any other duty), whether known or unknown, concealed or hidden, accrued or not accrued, foreseen or unforeseen, contingent or absolute, suspected or unsuspected, disclosed or undisclosed, asserted or unasserted, matured or not matured, that were asserted or that could have been asserted directly, indirectly, representatively or in any other capacity, at any time, in any court, tribunal, forum or proceeding by Plaintiffs against the Released Persons arising out of or based upon: the purchase, acquisition, sale, or disposition of any publicly traded

shares of common stock of Fuqi by any Plaintiff during the Class Period; the allegations that were made or could have been made in the Action; and any of the facts, transactions, events, occurrences, disclosures, statements, acts, omissions or failures to act which were or that could have been asserted by Plaintiffs in the Action. “Released Claims” do not include (i) claims to enforce the Settlement; (ii) any derivative claims brought on behalf of Fuqi which arise from the same underlying facts asserted in the Action; and (iii) any claims brought under the Employee Retirement Income Security Act of 1974, 29 U.S.C. 18 (“ERISA”), which arise from the same underlying facts asserted in the Action.

1.24 “Released Persons” means Defendant, its past, present and future partners, limited liability partners, members, directors, officers, employees, shareholders, present and former attorneys, consultants, financial or investment advisors, commercial bankers, underwriters, banks or investment banks, advisors, engineers, principals or agents (including, without limitation, those acting on behalf of or at the direction of Defendant), personal or legal representatives, insurers, reinsurers, predecessors, successors, parent entities, affiliates, subsidiaries, divisions, assigns, any partnership in which Defendant is a general or limited partner, any entity in which Defendant has a controlling interest, any member of the immediate family of any partner, limited liability partner or member, or any trust or foundation of which Defendant is the settlor. Insurers providing insurance coverage to Defendant and present and former partners, limited liability partners or members of Defendant, are expressly included in the definition of Released Persons.

1.25 “Settlement” means the settlement of the Action contemplated by this Stipulation.

1.26 “Settlement Fund” means one million one hundred thousand dollars (\$1,100,000.00), plus all interest that accrues in the Settlement Fund, and accretions thereto,

from the date on which Marcum deposits the \$1,100,000.00 with the Escrow Agent, and which may be reduced by payments or deductions as provided herein or by Court order.

1.27 “Settling Parties” means, collectively, Defendant and Plaintiffs on behalf of themselves and the Members of the Class and Subclass.

1.28 “Subclass” means, for purposes of this Settlement only, all persons or entities who purchased or otherwise acquired Fuqi common stock pursuant to or traceable to the Secondary Offering on or about July 22, 2009 and who were damaged thereby. Excluded from the Subclass are Defendant, its agents, representatives, predecessors, successors, subsidiaries, affiliated entities, partners, limited liability partners or members, shareholders, directors, officers, at all relevant times, members of the immediate families of the partners, limited liability partners or members, shareholders, directors, officers of Defendant, any entity in which the Defendant has or had a legal controlling interest, and the legal representatives, heirs, successors, or assigns of Defendant. References herein to “Class” or “Class Member” shall include the “Subclass” or “Subclass Members” unless specifically stated otherwise.

1.29 “Subclass Member” or “Member of the Subclass” means a Person who falls within the definition of the Subclass as set forth in ¶1.28 above and who does not validly request exclusion from the Subclass in accordance with the procedures to be established by the Court in connection with the approval of this Stipulation of Settlement.

1.30 “Unknown Claims” means any and all Released Claims which Plaintiffs or any Class Member does not know or suspect to exist in his, her or its favor at the time of the release of the Released Persons which, if known by him, her or it, might have affected his, her or its settlement with and release of the Released Persons, or might have affected his, her or its decision not to object to this Settlement. Unknown Claims include those claims in which some

or all of the facts comprising the claim may be suspected, or even undisclosed, concealed, or hidden. Notwithstanding the choice of law provisions in this Stipulation, with respect to any and all Released Claims, the Settling Parties stipulate and agree that, upon the Effective Date, Plaintiffs shall expressly waive, and each of the Class Members shall be deemed to have, and by operation of the Judgment shall have, expressly waived the provisions, rights, and benefits of 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 shall expressly waive, and each of the Class Members shall be deemed to have, and by operation of the Judgment shall have, expressly waived any and all provisions, rights, and benefits conferred by any law of any state or territory of the United States, or principle of common law or foreign law, which is similar, comparable or equivalent in effect to California Civil Code §1542. Plaintiffs and Class Members may hereafter discover facts in addition to or different from those which he, she or it now knows or believes to be true with respect to the subject matter of the Released Claims, but Plaintiffs shall expressly and each Class Member, upon the Effective Date, shall be deemed to have, and by operation of the Judgment shall have, fully, finally, and forever settled and released any and all Released Claims, known or unknown, suspected or unsuspected, contingent or non-contingent, whether or not concealed or hidden, which now exist, or heretofore have existed, upon any theory of law or equity now existing, heretofore have existed, or come into existence in the future, including, but not limited to, conduct which is negligent, reckless, intentional, with or without malice, or a breach of any duty, law, rule or regulation, without regard to the subsequent discovery or existence of such different or additional facts. Plaintiffs acknowledge, and the Class Members shall be deemed by operation

of the Judgment to have acknowledged, that the foregoing waiver was separately bargained for and a key element of the Settlement of which this release is a part.

2. The Settlement

a. The Settlement Fund

2.1 In full settlement of the Released Claims, within thirty (30) days from the later of (a) the court granting preliminary approval of the Settlement of this Action or (b) the date following such approval on which Defendant has been provided with wire instructions for the escrow account and a tax payer identification number for the recipient of the funds, Defendant shall pay or cause to be paid the principal amount of the Settlement Fund (\$1,100,000.00) into an escrow account maintained by the Escrow Agent. If the entire settlement amount is not timely transferred to the Escrow Agent, Lead Plaintiffs reserve all available remedies, including the possible termination of the Settlement.

b. The Escrow Agent

2.2 The Escrow Agent shall invest the Settlement Fund, transferred pursuant to ¶2.1 hereof, in instruments either fully insured or backed by the full faith and credit of the United States Government or an agency thereof and shall reinvest the proceeds of these instruments as they mature in similar instruments at their then-current market rates. All risks related to the investment of the Settlement Fund shall be borne by the Settlement Fund and not by any of the Defendant, Defendant's Counsel or the Released Persons.

2.3 The Escrow Agent shall permit Class Counsel or the Claims Administrator to withdraw up to one hundred fifty thousand dollars (\$150,000.00) from the Settlement Fund upon funding of the Settlement Fund by or on behalf of Defendant, as set forth in ¶2.1, to be used to pay the reasonable costs of providing notice of the Settlement to the Class, as well as customary administration costs. Other than amounts disbursed for providing notice to the Class, customary

administration costs, Taxes and Tax Expenses, the Fee and Expense Award (which shall be paid to Class Counsel immediately following the Court's execution of an order awarding such fees and expenses) and any awards granted to Lead Plaintiffs, the Settlement Fund shall not be distributed until the Settlement is reduced to a final, non-appealable judgment, subject to the provisions of ¶2.4.

2.4 Subject to further order(s) and/or direction(s) as may be made by the Court, or as provided in this Stipulation, the Escrow Agent is authorized to execute such transactions as are consistent with the terms of this Stipulation.

2.5 All funds held by the Escrow Agent shall be deemed and considered to be in *custodia legis* of the Court, and shall remain subject to the jurisdiction of the Court, until such time as such funds shall be distributed pursuant to this Stipulation and/or further order(s) of the Court.

2.6 The Escrow Agent shall not be responsible for the payment of any sums due to Authorized Claimants or other Persons, except to the extent of maintaining account of and appropriately paying sums as required by this Stipulation, but only to the limited extent that such sums have been delivered into the Escrow Account as required by this Stipulation. The Escrow Agent shall be liable only for acts of gross negligence or willful misconduct.

c. Taxes

2.7 (a) The Settling Parties agree that the Settlement Fund is intended to be a "qualified settlement fund" for purposes of §468B of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations promulgated thereunder. The Escrow Agent and the Settling Parties shall timely make such elections as are necessary or advisable to carry out the provision of this ¶2.7, including, without limitation, the "relation-back election" described in

Treas. Reg. §1.468B-1 back to the earliest permitted date. Such elections shall be made in compliance with the procedures and requirements contained in such regulations. It shall be the responsibility of the Escrow Agent to prepare and deliver timely and properly the necessary documentation for signature by all necessary parties, and thereafter to cause the appropriate filing to occur.

(b) The Escrow Agent shall be the Settlement Fund's "administrator" as that term is used in Treas. Reg. §1.468B-2. As administrator, the Escrow Agent shall satisfy the administrative requirements imposed by Treas. Reg. §1.468B-2 by, *e.g.*, (i) obtaining a taxpayer identification number, (ii) satisfying any information reporting or withholding requirements imposed on distributions from the Settlement Fund, and (iii) timely and properly filing applicable federal, state or local tax returns necessary or advisable with respect to the Settlement Fund (including, without limitation, the returns described in Treas. Reg. §1.468B-2(k)) and paying any taxes reported thereon. Such returns (as well as the election described in this ¶2.7) shall be consistent with this ¶2.7 and in all events shall reflect that all Taxes, as defined in subsection (c) below, on the income earned by the Settlement Fund shall be paid out of the Settlement Fund as provided in ¶2.7(c) hereof.

(c) All (i) taxes (including any estimated taxes, interest, or penalties) arising with respect to the income earned by the Settlement Fund, including, without limitation, any taxes or tax detriments that may be imposed upon Defendant 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 (collectively, "Taxes"), and (ii) expenses and costs incurred in connection with the operation and implementation of this ¶2.7, including, without limitation, expenses of tax attorneys and/or accountants and mailing and distribution costs and expenses relating to filing (or failing to file) the returns described in this ¶2.7 (collectively, "Tax Expenses"), shall be paid out of the Settlement Fund; in all events neither Defendant nor its counsel shall have any liability or responsibility for the Taxes or the

Tax Expenses. With funds from the Settlement Fund, the Escrow Agent shall indemnify and hold harmless Defendant and its counsel for Taxes and Tax Expenses (including, without limitation, Taxes payable by reason of any such indemnification). Further, Taxes and Tax Expenses shall be treated as, and considered to be, a cost of administration of the Settlement Fund and shall timely be paid by the Escrow Agent out of the Settlement Fund without prior order from the Court and the Escrow Agent shall be obligated (notwithstanding anything herein to the contrary) to withhold from distribution to Authorized Claimants any funds necessary to pay such amounts, including the establishment of adequate reserves for any Taxes and Tax Expenses (as well as any amounts that may be required to be withheld under Treas. Reg. §1.468B-2(l)(2)); neither Defendant nor its counsel are responsible therefor, nor shall they have any liability therefor. The Settling Parties agree to cooperate with the Escrow Agent, each other, and their tax attorneys and accountants to the extent reasonably necessary to carry out the provisions of this ¶2.7.

3. Notice Order and Settlement Hearing

3.1 Promptly after execution of this Stipulation, the Settling Parties shall submit the Stipulation to the Court and shall apply for entry of an order (the “Notice Order”) attached hereto as Exhibit A, requesting, *inter alia*, the preliminary approval of the Settlement set forth in this Stipulation, approval for the mailing of a settlement notice (the “Notice”) in the form attached as Exhibit A-1 hereto, and publication of a summary notice (the “Summary Notice”) in the form attached as Exhibit A-3 hereto. The Notice shall include the general terms of the Settlement set forth in this Stipulation, the proposed Plan of Allocation, the general terms of the Fee and Expense Application (defined below), and the date of the Settlement Hearing as defined below. Defendant does not take any position as to the proposed Plan of Allocation.

3.2 Class Counsel shall request that, after Notice is given, the Court hold a hearing (the "Settlement Hearing") at which time Class Counsel shall request that the Court finally approve the Settlement of the Action as set forth herein.

3.3 At the Settlement Hearing, the Settling Parties shall jointly request entry of a Judgment in the form attached hereto as Exhibit B:

(a) finally approving the Settlement as fair, reasonable, and adequate, within the meaning of Rule 23 of the Federal Rules of Civil Procedure, and directing its consummation pursuant to its terms;

(b) directing that the Action be dismissed with prejudice; directing that the Settling Parties are to bear their own costs, except as otherwise provided in this Stipulation; and releasing the Released Claims;

(c) permanently barring and enjoining the institution and prosecution, by Plaintiffs and the Class Members, of any other action against the Released Persons in any court or other tribunal, forum, or proceeding, asserting any Released Claims;

(d) reserving jurisdiction over the Action, including all future proceedings concerning the administration, consummation, and enforcement of this Stipulation;

(e) finding that the Complaint in the Action was filed on a good faith basis in accordance with the Private Securities Litigation Reform Act of 1995 (the "PSLRA") and Rule 11 of the Federal Rules of Civil Procedure;

(f) finding, pursuant to Rule 54(b) of the Federal Rules of Civil Procedure, that there is no just reason for delaying and directing entry of a final judgment; and

(g) containing such other and further provisions consistent with the terms of this Stipulation to which the Settling Parties expressly consent in writing.

3.4 At or after the Settlement Hearing, Class Counsel also will request that the Court approve the proposed Plan of Allocation, the Fee and Expense Application, the request for reimbursement of Plaintiffs' expenses and the granting of awards to Lead Plaintiffs.

4. Releases and Bar Order

4.1 Upon the Effective Date, Plaintiffs and each of the Class Members, for themselves and for each of their respective officers, directors, shareholders, employees, agents, spouses, subsidiaries, heirs at law, successors and assigns, and any other Person claiming (now or in the future) through or on behalf of them, and regardless of whether any such Plaintiff or Class Member ever seeks or obtains by any means, including, without limitation, by submitting a Proof of Claim and Release, any distribution from the Settlement Fund, shall be deemed to have, and by operation of the Judgment shall have, fully, finally, and forever released, relinquished, and discharged all Released Claims against the Released Persons and shall have covenanted not to sue the Released Persons with respect to all such Released Claims, and shall be permanently barred and enjoined from instituting, commencing, or prosecuting any Released Claims against the Released Persons except to enforce the releases and other terms and conditions contained in this Stipulation or the Judgment entered pursuant thereto.

4.2 Upon the Effective Date, Defendant shall be deemed to have, and by operation of the Judgment shall have, fully, finally, and forever released, relinquished, and discharged the Class (except any Class Member who opts out of the Settlement), Plaintiffs and Plaintiffs' counsel from all claims (including Unknown Claims) arising out of, relating to, or in connection with, the institution, prosecution, assertion, settlement, or resolution of the Action or the Released Claims except to enforce the releases and other terms and conditions contained in this Stipulation or any Court order (including, but not limited to, the Judgment) entered pursuant thereto.

4.3 Upon the Effective Date, in accordance with Section 21D(f)(7)(A) of the Exchange Act, 15 U.S.C. § 78u-4(f)(7)(A), Defendant and Released Persons by virtue of this Judgment are discharged from all claims for contribution that have been or may hereafter be brought by or on behalf of any Persons based upon, or arising out of, the Released Claims. Accordingly (i) any and all Persons are permanently barred, enjoined, and restrained from commencing, prosecuting, or asserting any such claim for contribution against Defendant and Released Persons based upon, or arising out of, the Released Claims, and (ii) the Defendant and Released Persons are hereby permanently barred, enjoined, and restrained from commencing, prosecuting, or asserting any claim for contribution against any Person based upon, or arising out of, the Released Claims.

5. Administration and Calculation of Claims, Final Awards and Supervision and Distribution of the Settlement Fund

5.1 The Claims Administrator, subject to such supervision and direction of the Court as may be necessary or as circumstances may require, shall administer and calculate the claims submitted by Class Members and shall oversee distribution of the Net Settlement Fund (defined below) to Authorized Claimants pursuant to the Plan of Allocation.

5.2 The Settlement Fund shall be applied as follows:

(a) to pay all the costs and expenses reasonably and actually incurred in connection with providing notice, locating Class Members, soliciting Class claims, assisting with the filing of claims, administering and distributing the Net Settlement Fund to Authorized Claimants, processing Proof of Claim and Release forms, and paying escrow fees and costs, if any;

(b) to pay the Taxes and Tax Expenses described in ¶2.7 hereof;

(c) after entry of the Judgment, to pay counsel to the Plaintiffs attorneys' fees

and expenses with interest thereon (the "Fee and Expense Award"), and to pay awards to the Lead Plaintiffs, if and to the extent allowed by the Court; and

(d) to distribute the balance of the Settlement Fund (the "Net Settlement Fund") to Authorized Claimants as allowed by the Stipulation, the Plan of Allocation, or order of the Court.

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

5.4 Within one hundred-fifty (150) calendar days after the mailing of the Notice or such other time as may be set by the Court, each Person claiming to be an Authorized Claimant shall be required to submit to the Claims Administrator a completed Proof of Claim and Release, substantially in the form attached as Exhibit A-2 hereto, signed under penalty of perjury, and supported by such documents as are specified in the Proof of Claim and Release and as are reasonably available to such Person. If a valid Proof of Claim and Release was previously submitted by a Class Member in connection with the Fuqi Litigation, a new Proof of Claim and Release does not need to be submitted to remain a Class Member and share in the distribution of this Settlement.

5.5 Except as otherwise ordered by the Court, any and all Class Members who fail to timely submit a Proof of Claim and Release within the period described in ¶5.4, or such other period as may be ordered by the Court, or otherwise allowed, unless they previously submitted a valid Proof of Claim and Release, shall be forever barred from receiving any payments pursuant to the Stipulation and the Settlement set forth herein, but will in all other respects be subject to

and bound by the provisions of the Stipulation, the releases contained herein, and the Judgment, including, but not limited to, having all of their claims and causes of action, however denominated, fully and finally released and discharged as provided in ¶4.1 of this Stipulation. Notwithstanding the foregoing, Class Counsel shall have the discretion to accept late-submitted claims for processing by the Claims Administrator so long as distribution of the Net Settlement Fund is not materially delayed thereby.

5.6 The Net Settlement Fund shall be distributed to Authorized Claimants substantially in accordance with the Plan of Allocation set forth in the Notice and approved by the Court. Any such Plan of Allocation is not a part of this Stipulation. No funds from the Net Settlement Fund shall be distributed to Authorized Claimants until the Effective Date. If there is any balance remaining in the Net Settlement Fund after six (6) months from the date of distribution of the Net Settlement Fund (whether by reason of tax refunds, uncashed checks, or otherwise), Class Counsel shall, if feasible, reallocate such balance among Authorized Claimants in an equitable and economic fashion. Thereafter, any balance which still remains in the Net Settlement Fund shall be donated to one or more secular §501(c)(3) organization(s) selected by Class Counsel.

5.7 Neither the Released Persons nor their counsel shall have any responsibility for, interest in, or liability whatsoever with respect to the investment or distribution of the Settlement Fund or Net Settlement Fund, the Plan of Allocation, the determination, administration, or calculation of claims, the payment or withholding of Taxes, or any losses incurred in connection with any such matters. The Released Persons shall have no responsibility for or involvement with the selection of the Claims Administrator, the claims administration process or the Plan of Allocation of the Settlement proceeds, and they shall not object to the proposed Plan of

Allocation. Plaintiffs and each Class Member hereby fully, finally, and forever release, relinquish, and discharge the Released Persons and their counsel from any and all such liability.

5.8 No Person shall have any claim against Plaintiffs, Class Counsel, the Claims Administrator, or their counsel based on the distributions made substantially in accordance with the Stipulation and the Settlement contained herein, the Plan of Allocation, or further order(s) of the Court.

5.9 No Person shall have any claim whatsoever against the Defendant, Defendant's Counsel or any of the Released Persons arising from or related to any distributions made, or not made, from the Settlement Fund or the Net Settlement Fund. No Person shall have any claim against the Defendant, Defendant's Counsel or any of the Released Persons arising from or relating to the management of or the disposition of the Settlement Fund or the Net Settlement Fund, and Plaintiffs and each Class Member hereby fully, finally, and forever release, relinquish, and discharge the Defendant, Defendant's Counsel and the Released Persons from any and all such liability.

5.10 None of the Defendant, the Released Persons or Defendant's Counsel shall have any responsibility for or liability whatsoever with respect to: (i) any act, omission or determination of Lead Counsel, the Escrow Agent or the Claims Administrator, or any of their respective designees or agents, in connection with the administration of the Settlement or otherwise; (ii) the management, investment or distribution of the Net Settlement Fund; (iii) the Plan of Allocation; (iv) the determination, administration, calculation or payment of any claims asserted against the Net Settlement Fund; or (v) the payment or withholding of any taxes, expenses and/or costs incurred in connection with the taxation of the Settlement Fund or the filing of any returns.

5.11 It is understood and agreed by the Settling Parties that any proposed Plan of Allocation of the Net Settlement Fund including, but not limited to, any adjustments to an Authorized Claimant's claim set forth therein, is not a part of the Stipulation and is to be considered by the Court separately from the Court's consideration of the fairness, reasonableness, and adequacy of the Settlement set forth in the Stipulation, and any order or proceeding relating to the Plan of Allocation shall not operate to terminate or cancel the Stipulation or affect the finality of the Court's Judgment approving the Stipulation and the Settlement set forth therein, or any other orders entered pursuant to the Stipulation. The time to appeal from approval of the Settlement shall commence upon the Court's entry of the Judgment regardless of whether a Plan of Allocation has been submitted to the Court or has been approved.

5.12 All Persons who fall within the definition of Class Members shall be subject to and bound by the provisions of this Stipulation, the releases contained herein, and the Judgment with respect to all Released Claims, regardless of whether such Persons seek or obtain by any means, including, without limitation, by submitting a Proof of Claim and Release or any similar document, any distribution from the Settlement Fund or the Net Settlement Fund.

6. Class Counsel's Attorneys' Fees and Expenses

6.1 Class Counsel may submit an application or applications (the "Fee and Expense Application") for distributions to Plaintiffs' counsel from the Settlement Fund for: (a) an award of attorneys' fees; plus (b) the payment of reasonable expenses incurred in connection with prosecuting the Action (including, but not limited to the fees and expenses of experts and consultants), plus any interest on such attorneys' fees and expenses at the same rate and for the same periods as earned by the Settlement Fund (until paid) as may be awarded by the Court, and for awards and/or reimbursement of Plaintiffs' reasonable costs and expenses (including lost

wages) directly related to their representation of the Class in this Action. Class Counsel reserves the right to make additional applications to the Court for fees and expenses incurred.

6.2 The fees and expenses, as awarded by the Court, shall be paid to Class Counsel from the Settlement Fund as provided in ¶2.3 immediately after the Court executes an order awarding such fees and expenses and enters the Judgment. Class Counsel may thereafter allocate the attorneys' fees among other Plaintiffs' counsel in a manner in which they in good faith believe reflects the contributions of such counsel to the initiation, prosecution, and resolution of the Action. 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 overturned, modified, or lowered, or if the Settlement is terminated or is not approved by the Court, or if there is an appeal and any order approving the Settlement does not become final and binding upon the Class, then, within fifteen (15) business days from receiving notice of the occurrence of such events from Defendant's Counsel or from a court of appropriate jurisdiction, Class Counsel shall refund to the Settlement Fund such fees and expenses previously paid to them from the Settlement Fund plus interest thereon at the same rate as earned on the Settlement Fund in an amount consistent with such reversal or modification. Each of Plaintiffs' counsel's law firm receiving any payment of attorneys' fees or expenses, as a condition of receiving such fees and expenses, agree that they accept payment subject to the joint and several obligation of each of Plaintiffs' counsel's (including their respective partners, shareholders, and/or firms) obligation to make repayment to Class Counsel or to the Settlement Fund of the entire amount paid to them, plus interest thereon at the same rate as earned on the Settlement Fund, within fifteen (15) business days from receiving the notice referenced in this paragraph. Each such Plaintiffs' counsel's law firm receiving fees and expenses, as a condition of receiving such fees and

expenses, on behalf of itself and each partner and/or shareholder of it, agrees that the law firm and its partners and/or shareholders are subject to the jurisdiction of the Court for the purpose of enforcing the provisions of this paragraph.

6.3 The Lead Plaintiffs may submit an application for an award and/or reimbursement of their time and expenses incurred in the prosecution of the Action. However, in the event that the Effective Date does not occur, or the judgment or the order approving Lead Plaintiffs' application for awards and/or reimbursement of their time and expenses is reversed or modified, or the Stipulation is canceled or terminated for any other reason, then the Lead Plaintiffs shall within fifteen (15) business days from receiving notice from Defendant's counsel or from a court of appropriate jurisdiction, refund to the Settlement Fund such awards and/or reimbursement for time and expenses previously paid to them from the Settlement Fund plus interest thereon at the same rate as earned on the Settlement Fund in an amount consistent with such reversal or modification. Lead Plaintiffs, if they receive awards and/or reimbursement under this paragraph, as a condition of receiving such awards and/or reimbursement, agree that they are subject to the jurisdiction of the Court for the purpose of enforcing the provisions of this paragraph.

6.4 The procedure for, and the allowance or disallowance by the Court, of any applications by Class Counsel for attorneys' fees and expenses, or the awards and/or expenses of Plaintiffs, to be paid out of the Settlement Fund are not part of the Settlement set forth in the Stipulation, and are to be considered by the Court separately from the Court's consideration of the fairness, reasonableness, and adequacy of the Settlement set forth in the Stipulation; and any order or proceeding relating to the Fee and Expense Application or any appeal from any order relating thereto or reversal or modification thereof, shall not operate to terminate or cancel the

Stipulation, or affect or delay the finality of the Judgment and the Settlement of the Action set forth therein.

6.5 The Released Persons shall have no responsibility for, and no liability whatsoever with respect to, any payment of any type or nature whatsoever, including attorneys' fees and expenses, to Plaintiffs' counsel, except as provided for herein. The Released Persons do not and shall not take any position as to Class Counsel's request for attorneys' fees and expenses and/or Class Counsel's request for awards and/or the reimbursement of Plaintiffs' reasonable costs and expenses (including lost wages) directly related to their representation of the Class in this Action.

6.6 The Released Persons shall have no responsibility for, and no liability whatsoever with respect to, the allocation among Plaintiffs' counsel, and/or any other Person who may assert some claim thereto, of any Fee and Expense Award that the Court may make in the Action, and the Released Persons take no position with respect to such matters.

7. Conditions of Settlement, Effect of Disapproval, Cancellation, or Termination

7.1 The Effective Date of the Stipulation shall be conditioned on the occurrence of all of the following events:

- (a) Defendant has timely made or caused to be made their contributions to the Settlement Fund, as required by ¶2.1 hereof;
- (b) the Court has entered the Notice Order, as required by ¶3.1 hereof;
- (c) the Court has approved the Settlement as described herein, following notice to the Class and a hearing, as prescribed by Rule 23 of the Federal Rules of Civil Procedure, and has entered the Judgment; and
- (d) the Judgment has become Final, as defined in ¶1.12 hereof.

7.2 Upon the occurrence of all of the events referenced in ¶7.1 hereof, any and all remaining interest or right of Defendant or its Insurers who funded the Settlement Fund in or to the Settlement Fund, if any, shall be absolutely and forever extinguished. If any of the conditions specified in ¶7.1(a) or ¶7.1(b) or ¶7.1(c) hereof are not met, or if the condition in ¶7.1(d) is not met and there is no longer any possibility that the condition in ¶7.1(d) can be met, then the Stipulation shall be canceled and terminated subject to ¶7.3 hereof unless Class Counsel and Defendant's Counsel mutually agree in writing to proceed with the Settlement.

7.3 Unless otherwise ordered by the Court, in the event the Effective Date does not occur or this Stipulation shall terminate, or be canceled, or otherwise fail to become effective for any reason, including, without limitation, in the event that the Settlement as described herein is not approved by the Court or the Judgment is reversed or vacated following any appeal taken therefrom, then:

(a) within fifteen (15) business days after written notification of such event is sent by Defendant's Counsel or Class Counsel to the Escrow Agent, the Settlement Fund (including accrued interest) plus any amount then remaining in the funds provided to the Claims Administrator for Notice and administrative costs, less expenses and any costs which have either been properly disbursed pursuant to ¶2.3 or ¶2.7 hereof, or are due and owing pursuant to ¶2.3 or ¶2.7, and Taxes and Tax Expenses that have been paid or that have accrued and will be payable at some later date, will be refunded, reimbursed, and repaid by the Escrow Agent to Defendant and/or its Insurers that funded the Settlement Fund severally in amounts proportional to each entity's funding of the Settlement Fund; if said amount or any portion thereof is not returned within such fifteen (15) day period, then interest shall accrue thereon at the same rate as earned by the Settlement Fund until the date that said amount is returned;

(b) at the request of counsel for Defendant, the Escrow Agent or its designee shall apply for any Tax refund owed on the Settlement Fund and pay the proceeds to Defendant

and/or its Insurers that funded the Settlement Fund severally in amounts proportional to each entity's funding of the Settlement Fund, after deduction of any fees or expenses reasonably incurred in connection with such application(s) for refund pursuant to such written request;

(c) the Settling Parties shall be restored to their respective positions in the Action as of December 15, 2015, with all of their respective claims and defenses preserved as they existed on that date;

(d) the terms and provisions of the Stipulation shall be null and void and shall have no further force and effect with respect to the Settling Parties, with the exception of §§ 1.1-1.30, 2.3, 2.7 and 7.3, hereof, and neither the existence nor the terms of this Stipulation (nor any negotiations preceding this Stipulation nor any acts performed pursuant to, or in furtherance of, this Stipulation) shall be used in this Action or in any other proceeding for any purpose; and

(e) any judgment or order entered by the Court in accordance with the terms of the Stipulation shall be treated as vacated, *nunc pro tunc*.

7.4 If the Court does not enter the Judgment in the form attached as Exhibit B hereto, or if the Court enters the Judgment and appellate review is sought and, on such review, the entry of the Judgment is finally vacated, modified, or reversed, then this Stipulation and the Settlement incorporated therein may be cancelled and terminated by one of the Settling Parties, unless all parties who are adversely affected thereby, in their sole discretion within thirty (30) days from the date of the mailing of such ruling to such parties, provide written notice to all other parties hereto of their intent to proceed with the Settlement under the terms of the Judgment as modified by the Court or on appeal. Such notice may be provided on behalf of Plaintiffs and the Class Members by Class Counsel. No Settling Party shall have any obligation whatsoever to proceed under any terms other than substantially in the form provided and agreed to herein; provided, however, that no order of the Court to the extent it addresses or concerns any Fee and Expense Application or Plan of Allocation, or any modification or reversal on appeal of such order, shall

constitute grounds for cancellation or termination of this Stipulation by any Settling Party. Without limiting the foregoing, Defendant shall have, in its sole and absolute discretion, the option to terminate the Settlement in its entirety in the event that the Judgment, upon becoming Final, will not or does not provide for the dismissal with prejudice of the Action against them.

7.5 If, prior to the Settlement Hearing, any Persons who otherwise would be Class Members have validly requested exclusion from the Class (“Requests for Exclusion”) in accordance with the provisions of the Notice or Notice Order, and such Persons, in the aggregate, during the Class Period purchased equal to or more than a certain percentage of the aggregate eligible shares held by all Authorized Claimants to be negotiated by the Settling Parties and specified in a separate, confidential supplemental agreement to this Stipulation of Settlement (the “Supplemental Agreement”), then Defendant shall have, in its sole and absolute discretion, the option to terminate this Stipulation on behalf of all Settling Parties in accordance with the procedures set forth in the Supplemental Agreement. Class Counsel shall, however, have an opportunity to seek retraction of any Request for Exclusion until the deadline for such retractions as set forth in the Notice or Notice Order. The Supplemental Agreement shall not be filed with the Court. If required by the Court, the Settling Parties shall request that the Supplemental Agreement and/or any of its terms be disclosed only *in camera* to the Court for purposes of approving the Settlement, and that such disclosure shall be carried out to the fullest extent possible in accordance with the practices of the Court so as to preserve the confidentiality of the Supplemental Agreement, particularly the threshold percentage amount of Fuqi common stock specified in the Supplemental Agreement. Defendant may request from time to time summaries or copies of any or all Requests for Exclusion received, together with all written revocations of Requests for Exclusion, which shall be delivered to Defendant’s Counsel promptly upon request.

A listing of all persons who have validly requested exclusion from the Class shall be provided to Defendant and the Court in connection with and at the time of the Settlement Hearing.

7.6 If the Effective Date does not occur, or if the Stipulation is terminated pursuant to its terms, neither the Lead Plaintiffs nor any of their counsel shall have any obligation to repay any amounts actually and properly disbursed as provided in this Stipulation. In addition, any expenses already incurred pursuant to ¶2.3, ¶2.7 or otherwise hereof at the time of such termination or cancellation but which have not been paid, shall be paid by the Escrow Agent in accordance with the terms of the Stipulation prior to the balance being refunded in accordance with ¶7.3 hereof.

8. Class Certification

8.1 For purposes of this Stipulation only, the Settling Parties will stipulate to certification of the Class, as defined herein and the appointment of Lead Plaintiffs as representatives of the Class. Defendant expressly reserves the right to contest class certification in the event this settlement does not become effective for any reason.

9. No Admission of Wrongdoing

9.1 This Stipulation, whether or not consummated, and any negotiations, discussions, or proceedings in connection herewith shall not be:

(a) offered or received against Defendant as evidence of or construed as or deemed to be evidence of any presumption, concession, or admission by Defendant of the truth of any fact alleged by the Class Members or the validity of any claim that has or could have been asserted in the Action, or the deficiency of any defense that has or could have been asserted in the Action, or of any liability, negligence, fault, or wrongdoing of Defendant;

(b) offered or received against any Defendant as evidence of a presumption, concession, admission of any fault, misrepresentation, or omission with respect to any statement

or written document approved or made by Defendant, or offered or received against Lead Plaintiffs or any Class Member as evidence of any infirmity in the claims of Lead Plaintiffs and the Class;

(c) offered or received against Defendant as evidence of a presumption, concession, or admission of any liability, negligence, fault, or wrongdoing, or in any way referred to for any reason as against any of the parties to this Stipulation, 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; provided, however, that this Stipulation is approved by the Court, Defendant and Released Persons may refer to it to effectuate the release granted them hereunder; or

(d) construed against Defendant, Lead Plaintiffs, or the Class as an admission or concession that the consideration to be given hereunder represents the amount which could or would have been recovered after trial.

10. Miscellaneous Provisions

10.1 The Settling Parties (a) acknowledge that it is their intent to consummate this agreement; and (b) agree to cooperate to the extent reasonably necessary to effectuate and implement all terms and conditions of the Stipulation and to exercise their best efforts to accomplish the foregoing terms and conditions of the Stipulation.

10.2 The Settling Parties intend this Settlement to be a final and complete resolution of all disputes between them. The Settlement compromises claims which are contested and shall not be deemed an admission by any Settling Party as to the merits of any claim or defense.

10.3 While Defendant denies that the claims advanced in the Action were meritorious, it will not assert in any public statement that the Action was not filed in good faith and/or is not being settled voluntarily after consultation with competent legal counsel. The Judgment will

contain a finding that, during the course of the Action, the parties and their respective counsel at all times complied with the requirements of Federal Rule of Civil Procedure 11. The Settling Parties agree that the amount paid to the Settlement Fund and the other terms of the Settlement were negotiated in good faith by the Settling Parties and reflect a settlement that was reached voluntarily after consultation with competent legal counsel and with the assistance of Judge Phillips. The Settling Parties reserve their right to rebut, in a manner that such party determines to be appropriate, any contention made in any public forum that the Action was brought or defended in bad faith or without a reasonable basis.

10.4 Neither this Stipulation nor the Settlement contained herein, nor any act performed or document executed pursuant to or in furtherance of this Stipulation or the Settlement: (a) is or may be deemed to be or may be used as an admission of, or evidence of, the validity of any Released Claim, any allegation made in the Action, or any wrongdoing or liability of Defendant; or (b) is or may be deemed to be or may be used as an admission of, or evidence of, any liability, fault, or omission of Defendant in any civil, criminal, or administrative proceeding in any court, administrative agency, or other tribunal. Neither this Stipulation nor the Settlement, nor any act performed or document executed pursuant to or in furtherance of this Stipulation or the Settlement shall be admissible in any proceeding for any purpose, except to enforce the terms of the Settlement, and except that Defendant may file the Stipulation and/or the Judgment in any action that may be brought against it in order to support a defense or counterclaim based on principles of *res judicata*, collateral estoppel, release, good faith settlement, judgment bar or reduction, or any other theory of claim preclusion or issue preclusion or similar defense or counterclaim.

10.5 The Stipulation may be amended or modified only by a written instrument signed by or on behalf of all Settling Parties or their respective successors-in-interest.

10.6 The Stipulation constitutes the entire agreement among the parties hereto and no representations, warranties, or inducements have been made to any party concerning the Stipulation other than the representations, warranties, and covenants contained and memorialized in such documents. It is understood by the Settling Parties that, except for the matters expressly represented herein, the facts or law with respect to which this Stipulation is entered into may turn out to be other than or different from the facts now known to each party or believed by such party to be true; each party therefore expressly assumes the risk of the facts or law turning out to be so different, and agrees that this Stipulation shall be in all respects effective and not subject to termination by reason of any such different facts or law. Except as otherwise provided herein, each party shall bear her, his, or its own costs.

10.7 The Settling Parties agree to submit any disputes that might arise regarding the interpretation or application of this Stipulation to Judge Phillips for resolution as a sole arbitrator, under arbitration rules to be promulgated by him in his sole discretion, and the Settling Parties agree to be bound by Judge Phillips' decision.

10.8 Class Counsel, on behalf of the Class, is expressly authorized by Plaintiffs to take all appropriate action required or permitted to be taken by the Class pursuant to the Stipulation to effectuate its terms and also are expressly authorized to enter into any modifications or amendments to the Stipulation on behalf of the Class which they deem appropriate. Plaintiffs and Class Counsel represent and warrant that none of Plaintiffs' claims or causes of action referred to herein or that could have been alleged in the Action have been assigned, encumbered or in any manner transferred in whole or in part.

10.9 Each counsel or other Person executing the Stipulation and any documents prepared in furtherance of the Stipulation on behalf of any party hereto hereby represents and warrants that such Person has the full authority to do so and has the authority to bind the party on whose behalf they are executing this Stipulation. The performance by any Class Member and the Settling Parties of their obligations under this Stipulation have been duly authorized and any necessary third-party consents, if any, have been obtained.

10.10 The Stipulation may be executed in one or more counterparts. All executed counterparts and each of them shall be deemed to be one and the same instrument, each of which shall be deemed an original notwithstanding that all of the parties hereto are not signatories to the same counterpart. A complete set of executed counterparts shall be filed with the Court. The Settling Parties agree that facsimile or scanned signatures shall have the same force and effect as original signatures.

10.11 The Stipulation shall be binding upon, and inure to the benefit of, the successors and assigns of the parties hereto, including any corporation or other entity into or with which any party merges, consolidates, or reorganizes or has merged, consolidated, or reorganized.

10.12 The Court shall retain jurisdiction with respect to implementation and enforcement of the terms of the Stipulation, and all parties and counsel for the parties hereto submit to the jurisdiction of the Court for purposes of implementing and enforcing the Settlement embodied in the Stipulation.

10.13 This Stipulation shall be governed by, and interpreted according to, the laws of the State of New York, excluding its conflict of laws provisions.

10.14 All of the Exhibits to this Stipulation are material and integral parts hereof and are fully incorporated herein by this reference.

IN WITNESS WHEREOF, the parties hereto have caused the Stipulation to be executed,
by their duly authorized attorneys, dated as of October 6, 2016.

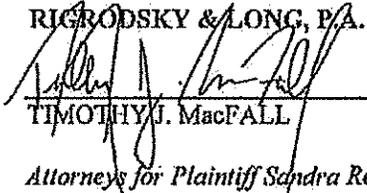
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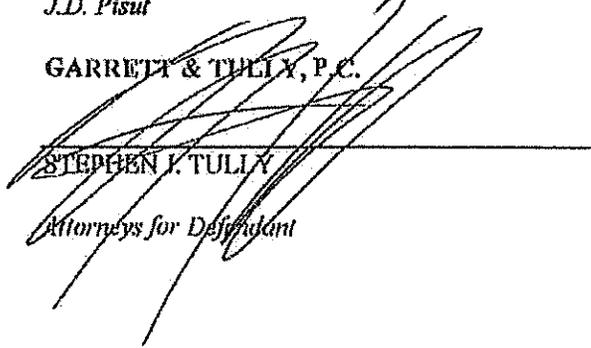
GLANCY PRONGAY & MURRAY LLP



LIONEL Z. GLANCY

*Attorneys for Plaintiffs Craig B. Laub and
J.D. Pisut*

GARRETT & TULLY, P.C.



STEPHEN J. TULLY

Attorneys for Defendant

**IN THE UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK**

-----X
PUERTO RICO GOVERNMENT JUDICIARY :
EMPLOYEES RETIREMENT SYSTEM :
ADMINISTRATION, CRAIG B. LAUB, J.D. :
PISUT and SANDRA REDFERN, : 15 Civ. 01938 (DAB)
 :
Plaintiffs, :
 :
-against- :
 :
 :
MARCUM, LLP, as successor to STONEFIELD :
JOSEPHSON, INC., :
 :
Defendant. :
-----X

**ORDER PRELIMINARILY APPROVING SETTLEMENT AND PROVIDING
FOR NOTICE OF PROPOSED SETTLEMENT**

EXHIBIT A

WHEREAS, a class action is pending before the Court entitled *Puerto Rico Government Judiciary Employees Retirement Sys., et al. v. Marcum, LLP*, Case No. 15 Civ. 01938 (DAB), United States District Court for the Southern District of New York (the “Action”);

WHEREAS, the Court has received the Stipulation of Settlement dated as of October 6, 2016 (the “Settlement Agreement”)¹, which has been entered into by the Lead Plaintiffs and the Defendant, and the Court has reviewed the Settlement Agreement and the Exhibits annexed thereto;

WHEREAS, the Parties having made application, pursuant to Federal Rule of Civil Procedure 23(e), for an order preliminarily approving the Settlement of this Action, in accordance with the Settlement Agreement which, together with the Exhibits annexed thereto, sets forth the terms and conditions for a proposed Settlement of the Action and for dismissal of the Action with prejudice upon the terms and conditions set forth therein; and the Court having read and considered the Settlement Agreement and the Exhibits annexed thereto;

NOW, THEREFORE, IT IS HEREBY ORDERED:

The Court does hereby preliminarily approve the Settlement Agreement and the Settlement set forth therein, subject to further consideration at the Settlement Hearing described below.

The Court finds that: (a) the Settlement Agreement resulted from arm’s-length negotiations; and (b) the Settlement Agreement is sufficiently fair, reasonable and adequate as to the Class Members to warrant providing notice of the Settlement to Class Members and holding a Settlement Hearing.

¹ For purposes of this Order, the Court adopts all defined terms as set forth in the Settlement Agreement, and the terms used herein shall have the same meaning as in the Settlement Agreement.

The Settlement Hearing shall be held before this Court on January 8, 2018, at 11:00 a.m., to determine whether the proposed Settlement of the Action on the terms and conditions provided for in the Settlement Agreement is fair, reasonable and adequate to the Class and should be approved by the Court; whether a Judgment as provided in the Settlement Agreement should be entered herein; whether the proposed Plan of Allocation should be approved; and to determine any amount of fees and expenses that should be awarded to Lead Counsel and any reimbursement awards to the Lead Plaintiffs for their representation of the Class. The Court may adjourn the Settlement Hearing without further notice to Members of the Class.

The Class in this Action consists of all persons or entities who purchased or otherwise acquired Fuqi common stock between May 15, 2009, and March 27, 2011, and were purportedly damaged thereby, and additionally certifies a Subclass consisting of all those who purchased or otherwise acquired Fuqi common stock pursuant to or traceable to the Secondary Offering on or about July 22, 2009.² Excluded from the Class and Subclass are: Marcum, LLP (“Marcum”), any agent, representative, predecessor, successor, subsidiary, affiliated entity, partner, limited liability partner or member, shareholder, director, officer of Marcum, member of the immediate families of the partners, limited liability partners or members, shareholders, directors, officers of Marcum, any entity in which Marcum has or had a legal controlling interest, and the legal representatives, heirs, successors, or assigns of Marcum. Also excluded from the Class are Fuqi, Yu Kwai Chong, Ching Wan Wong, Lie Xi Zhuang, Lily Lee Chen, Eileen B. Brody, Victor A. Hollander, Jeff Haiyong Liu, William Blair & Co., Oppenheimer & Co. Inc., and Cowen and Company (collectively, the “Fuqi Defendants”), the officers and directors of Fuqi, at all relevant times, members of their immediate families, any entity in which any Fuqi Defendant has or had a

² References to the Class and Class Members include the Subclass and Subclass Members, respectively.

legal controlling interest, and the legal representatives, heirs, successors, or assigns of any Fuqi Defendant. There has been no prior notice to Class Members of the certification of the Class in this Action or prior opportunity for any Person or entity to request to be excluded from the Class.

The Court approves, as to form and content, the Notice of Proposed Settlement of Class Action, Motion for Attorneys' Fees and Settlement Fairness Hearing (the "Notice"), the Proof of Claim and Release form (the "Proof of Claim"), and Summary Notice ("Summary Notice") annexed as Exhibits A-1, A-2 and A-3 hereto, and finds that the mailing and distribution of the Notice and publishing of the Summary Notice substantially in the manner and form set forth in this Order meet the requirements of Federal Rule of Civil Procedure 23 and Due Process, and is the best notice practicable under the circumstances and shall constitute due and sufficient notice to all Persons entitled thereto.

Pending final determination by the Court as to whether the Settlement, as set forth in the Settlement Agreement, is fair, reasonable and adequate and should be finally approved and whether the Judgment dismissing the Action with prejudice should be approved, no Class Member, either directly, representatively or in any other capacity, shall assert, commence or prosecute against any of the Defendant or the Released Parties any of the Released Claims in this Action, or in any other proceeding or forum. This injunction is necessary to protect and effectuate the Settlement, this Order, and the Court's flexibility and authority to effectuate the Settlement and to enter judgment when appropriate, and is ordered in aid of the Court's jurisdiction and to protect its judgments.

The Court appoints Angeion Group as "Claims Administrator" to supervise and administer the notice procedure as well as the processing of claims as more fully set forth below:

Not later than twenty (20) business days after the date of this Order (the "Notice

Date”) (June 27, 2017), the Claims Administrator shall cause a copy of the Notice and the Proof of Claim, substantially in the forms annexed as Exhibits A-1 and A-2 hereto, to be mailed by first class mail to all Class Members who can be identified with reasonable effort, including Class Members identified in Fuqi’s transfer records for the time period from 30 days before until 120 days after the Class Period, as previously provided to Plaintiffs in the related action *In re Fuqi International, Inc. Sec. Litig.*, Case No. 10 Civ. 2515 (DAB);

Not later than thirty (30) business days after the date of this Order (July 12, 2017), the Claims Administrator shall cause the Summary Notice to be published once in the national edition of *Investor’s Business Daily*, and on a different day shall cause the Summary Notice to be published once electronically over PR Newswire;

Not later than twenty (20) business days after the date of this Order (June 27, 2017), the Claims Administrator shall cause the Settlement Agreement and its Exhibits and a copy of the Notice to be posted on the following website: www.fuqiclasssettlement.com; and

Not later than seventy (70) days after the date of this Order (August 8, 2017), Lead Counsel shall cause to be served on Defendant’s counsel and filed with the Court proof, by affidavit or declaration, of such mailing, publishing and posting.

Nominees who purchased or acquired Fuqi common stock between May 15, 2009 and March 27, 2011, inclusive, and/or purchased or acquired Fuqi common stock pursuant to or traceable to the Secondary Offering on or about July 22, 2009, shall send the Notice and the Proof of Claim to all beneficial owners of such Fuqi common stock within twenty (20) days after receipt thereof, or send a list of the names and addresses of such beneficial owners to the Claims Administrator within twenty (20) days of receipt thereof, in which event the Claims Administrator shall promptly mail the Notice and the Proof of Claim to such beneficial owners.

Lead Counsel shall, if requested, reimburse banks, brokerage houses or other nominees solely for their reasonable out-of-pocket expenses incurred in providing the Notice to beneficial owners who are Class Members out of the Settlement Fund, which expenses would not have been incurred except for the sending of such Notice, subject to further order of this Court with respect to any dispute concerning such compensation.

Any Person falling within the definition of the Class may, upon making a valid and timely request, be excluded from the Class. Any such Person must submit to the Claims Administrator a request for exclusion (“Request for Exclusion”), postmarked no later than twenty-one (21) days prior to the Settlement Hearing (December 18, 2017). A Request for Exclusion must be signed and state (a) the name, address, and telephone number of the Person requesting exclusion; (b) each of the Person’s purchases and sales of Fuqi common stock made during the Class Period, including the dates of purchase or sale, the number of shares purchased and/or sold, and the price paid or received per share for each such purchase or sale; and (c) that the Person wishes to be excluded from the Class. All Persons who submit valid and timely Requests for Exclusion in the manner set forth in this paragraph shall have no rights under the Settlement, shall not share in the distribution of the Net Settlement Fund, and shall not be bound by the Settlement or the Judgment entered in this Action.

All Members of the Class (other than those Persons or entities who shall timely and validly request exclusion from the Class) shall be bound by all determinations and judgments in the Action concerning the Settlement, whether favorable or unfavorable to the Class.

Class Members (other than those Persons or entities who shall timely and validly request exclusion from the Class) who wish to participate in the Settlement and share in the distribution of the Settlement Fund shall complete and submit Proof of Claim and Release forms in

accordance with the instructions contained therein. Unless the Court orders otherwise, all Proof of Claim forms must be postmarked no later than one hundred fifty (150) days from the Notice Date (November 24, 2017). Any Class Member who does not timely submit a Proof of Claim within the time provided shall be barred from sharing in the distribution of the proceeds of the Net Settlement Fund, unless otherwise ordered by the Court but shall nevertheless be bound by any final judgment entered by the Court. If a Class Member previously submitted a Proof of Claim form in connection with the related litigation against the Fuqi Defendants, such Class Member does not need to submit another Proof of Claim form. Notwithstanding the foregoing, Lead Counsel shall have the discretion to accept late-submitted claims for processing by the Claims Administrator so long as distribution of the Net Settlement Fund is not materially delayed.

Any Member of the Class may enter an appearance in the Action, at his, her or its own expense, individually or through counsel of his, her or its own choice. If they do not enter an appearance, Lead Counsel will represent them.

Any Member of the Class (other than those Persons or entities who shall timely and validly request exclusion from the Class) may appear and show cause, if he, she or it has any reason, why the proposed Settlement of the Action should or should not be approved as fair, reasonable and adequate, why a Judgment should or should not be entered thereon, why the Plan of Allocation should or should not be approved, or why attorneys' fees and reimbursement of expenses should or should not be awarded to Lead Counsel or Lead Plaintiffs; provided, however, that no Class Member or any other Person shall be heard or entitled to contest the approval of the terms and conditions of the proposed Settlement, or, if approved, the Judgment to be entered thereon approving the same, or the order approving the Plan of Allocation, the awards

or expenses to be reimbursed to Lead Plaintiffs, or the attorneys' fees and expenses to be awarded to Lead Counsel, unless that Person has filed said objections, papers and briefs with the Clerk of the United States District Court for the Southern District of New York, no later than twenty-one (21) days prior to the Settlement Hearing (December 18, 2017) and delivered copies of any such papers to counsel identified in the Notice, such that they are received on or before such date. Any objections, filings and other submissions by the objecting Class Member must contain a statement of his, her or its objections, as well as the specific reasons for each objection, including the legal and evidentiary support the Class Member wishes to bring to the Court's attention and documents sufficient to prove the number of all shares of Fuqi common stock that the objecting Class Member purchased and sold during the Class Period, as well as the dates and prices of each such purchase and/or sale. Any Member of the Class who does not make his, her or its objection in the manner provided shall be deemed to have waived such objection and shall forever be foreclosed from making any such objection, unless otherwise ordered by the Court.

All funds held by the Escrow Agent shall be deemed and considered to be in *custodia legis* of the Court, and shall remain subject to the jurisdiction of the Court, until such time as such funds shall be distributed pursuant to the Settlement Agreement or further order(s) of the Court.

All papers in support of the Settlement, the Plan of Allocation, and the application for attorneys' fees or expenses and awards to Lead Plaintiffs, shall be filed and served not later than thirty-five (35) days prior to the Settlement Hearing (December 4, 2017). Any papers in further support of the Settlement, the Plan of Allocation, Lead Plaintiffs' application for awards or reimbursement of expenses, and the application for attorneys' fees or expenses, shall be filed and served no later than seven (7) days prior to the Settlement Hearing (January 1, 2018).

Neither the Defendant nor the Released Parties shall have any responsibility for or liability with respect to the Plan of Allocation or any application for attorneys' fees or expenses submitted by Lead Counsel, and such matters will be considered separately from the fairness, reasonableness and adequacy of the Settlement.

At or after the Settlement Hearing, the Court shall determine whether the Plan of Allocation proposed by Lead Counsel, and any application for attorneys' fees or expenses, and awards or reimbursement of Lead Plaintiffs' reasonable costs and expenses, shall be approved.

All reasonable expenses incurred in identifying and notifying Class Members, as well as administering the Settlement Fund, shall be paid as set forth in the Settlement Agreement. In the event the Settlement is not approved by the Court, or otherwise fails to become effective, neither the Lead Plaintiffs nor Lead Counsel shall have any obligation to repay any amounts actually and properly disbursed from the Settlement Fund.

Neither the Settlement Agreement, nor any of its terms or provisions, nor any of the negotiations or proceedings connected with it, shall be construed as an admission or concession by the Defendant of the truth of any of the allegations in the Action, or of any liability, fault, or wrongdoing of any kind and shall not be construed as, or deemed to be evidence of or an admission or concession that Lead Plaintiffs or any Class Members have suffered any damages, harm, or loss.

In the event that the Settlement does not become effective in accordance with the terms of the Settlement Agreement or the Effective Date does not occur, or in the event that the Settlement Fund, or any portion thereof, is returned to the Defendant, then this Order shall be rendered null and void to the extent provided by and in accordance with the Settlement Agreement 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 Settlement Agreement.

Pending the Settlement Hearing, the Court stays all proceedings in the Action, other than proceedings necessary to carry out or enforce the terms and conditions of the Settlement Agreement.

The Court reserves the right to adjourn the date of the Settlement Hearing without further notice to the Class Members, and retains jurisdiction to consider all further applications arising out of or connected with the Settlement. The Court may approve the Settlement, with such modifications as may be agreed to by the Parties, if appropriate, without further notice to the Class.

DATED: _____

The Honorable Deborah A. Batts
United States District Judge

**IN THE UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK**

-----X
PUERTO RICO GOVERNMENT JUDICIARY :
EMPLOYEES RETIREMENT SYSTEM :
ADMINISTRATION, CRAIG B. LAUB, J.D. :
PISUT and SANDRA REDFERN, : 15 Civ. 01938 (DAB)
 :
Plaintiffs, :
 :
-against- :
 :
 :
MARCUM, LLP, as successor to STONEFIELD :
JOSEPHSON, INC., :
 :
Defendant. :
-----X

**NOTICE OF PROPOSED SETTLEMENT OF CLASS ACTION, MOTION FOR
ATTORNEYS' FEES AND SETTLEMENT FAIRNESS HEARING**

EXHIBIT A-1

IF YOU PURCHASED OR ACQUIRED FUQI INTERNATIONAL, INC. COMMON STOCK BETWEEN MAY 15, 2009 AND MARCH 27, 2011, INCLUSIVE, AND/OR PURCHASED OR ACQUIRED FUQI INTERNATIONAL, INC. COMMON STOCK PURSUANT TO OR TRACEABLE TO THE SECONDARY OFFERING ON OR ABOUT JULY 22, 2009, YOU COULD RECEIVE A PAYMENT FROM A CLASS ACTION SETTLEMENT, AS DESCRIBED IN THIS NOTICE.

IF YOU PREVIOUSLY SUBMITTED A PROOF OF CLAIM AND RELEASE FORM (“PROOF OF CLAIM”) IN CONNECTION WITH THE SETTLEMENT OF THE RELATED CLASS ACTION LITIGATION *IN RE FUQI INTERNATIONAL, INC. SECURITIES LITIGATION*, 10 Civ. 2515 (DAB) (THE “*FUQI* LITIGATION”), AND YOU WISH TO PARTICPATE IN THIS SETTLEMENT, YOU DO NOT NEED TO SUBMIT AN ADDITIONAL PROOF OF CLAIM.

IF YOU HAVE NOT PREVIOUSLY SUBMITTED A PROOF OF CLAIM, TO CLAIM YOUR SHARE OF THE SETTLEMENT FUND, YOU MUST SUBMIT A VALID PROOF OF CLAIM POSTMARKED ON OR BEFORE November 24, 2017.

A federal court authorized this Notice. This is not a solicitation from a lawyer.

Your legal rights are affected whether you act, or don't act.
Read this Notice carefully.

The purpose of this Notice is to inform you of the pendency and proposed settlement of this class action litigation (the “Action”) and of the hearing to be held by the Court to consider the fairness, reasonableness, and adequacy of the settlement. This Notice is not intended to be, and should not be construed as, an expression of any opinion by the Court with respect to the truth of the allegations in the Action or the merits of the claims or defenses asserted. This Notice describes the rights you may have in connection with the settlement and what steps you may take in relation to the settlement and this Action.

Security and Time Period: Fuqi International, Inc. (“Fuqi”) common stock (stock symbol: FUQI; cusip no: 36102A207) purchased or acquired between May 15, 2009 and March 27, 2011, inclusive (the “Class Period”). During the Class Period, the stock symbol for Fuqi on the Nasdaq Stock Market was “FUQI”.

Settlement Fund: If the settlement is approved, a fund of \$1,100,000 in cash will be established. Your recovery will depend on the number of shares of Fuqi common stock you, and other Class Members who file claims, purchased and sold and the prices at which you, and the other Class Members who file claims, purchased and sold those shares. On February 19, 2016, the Court granted final approval of a settlement involving Fuqi International, Inc. (“Fuqi”), which provided a settlement fund of \$7,500,000 in cash. For the Fuqi settlement – as is the case with the current settlement with Defendant – your recovery will depend on the number of shares of Fuqi common stock you, and other Class Members who file claims, purchased and sold, and the prices at which you, and the other Class Members who file claims, purchased and sold those shares. For the Fuqi settlement, if claims are submitted for 100% of the eligible shares of Fuqi common stock, the estimated average recovery per share of common stock will be approximately \$0.30 per share for shares traceable to the Secondary Offering on or about July 22, 2009 and \$0.12 per share for those who do not have such claims, before deduction of Court-approved fees and expenses and costs of notice and claims administration. This settlement will provide an additional recovery to the Fuqi settlement as explained herein. If claims are submitted for 100% of the eligible shares of Fuqi common stock, the estimated average recovery per share of common stock for this settlement will be an additional approximately \$0.044 per share for shares traceable to the Secondary Offering on or about July 22, 2009 and an additional \$0.018 per share for those who do not have such claims before deduction of Court-approved fees and expenses and costs of notice and claims administration. The actual amount per share you could receive will depend on a number of factors that are explained in the Plan of Allocation and in Question 9 below. The number of shares submitted to share in the Settlement Fund is likely to be different than the total number of shares eligible to participate because some Class Members may not file

claims on shares they purchased during the Class Period, and certain shares may have traded more than once during the Class Period and more than one Class Member may file claims on those shares.

Class: The Class includes all persons or entities who purchased or acquired shares of Fuqi common stock between May 15, 2009 and March 27, 2011, inclusive, and a Subclass of all persons or entities who purchased or acquired Fuqi common stock pursuant to or traceable to the Secondary Offering on or about July 22, 2009, and who were damaged thereby. Excluded from the Class are Defendant, its agents, representatives, predecessors, successors, subsidiaries, affiliated entities, partners, limited liability partners or members, shareholders, directors, officers, at all relevant times, members of the immediate families of the partners, limited liability partners or members, shareholders, directors, officers of Defendant, any entity in which the Defendant has or had a legal controlling interest, and the legal representatives, heirs, successors, or assigns of Defendant. Also excluded from the Class are the Defendants in the Fuqi Litigation (the “Fuqi Defendants”), Fuqi’s officers and directors, at all relevant times, members of their immediate families, any entity in which any of the Fuqi Defendants has or had a legal controlling interest, and the legal representatives, heirs, successors, or assigns of any of the Fuqi Defendants, and those Persons who timely and validly request exclusion from the Class pursuant to this Notice. References herein to the Class include the Subclass unless stated otherwise.

Reasons for Settlement: This Action arises from allegations that during the Class Period, Fuqi suffered from inadequate internal financial controls and accounting errors which resulted in Fuqi’s stock price being artificially inflated as a result of untrue or materially misleading statements concerning the Company’s financial results. Plaintiffs further contend that Fuqi’s independent auditor, Stonefield Josephson, Inc. (the alleged predecessor of Defendant

Marcum), made certain statements in connection with Fuqi's financial results knowing them to be false or misleading, or recklessly disregarding their false or misleading natures, and that investors suffered injury as a result of the alleged inflation in Fuqi's stock price. Lead Plaintiffs and Lead Counsel believe that the Settlement provides the Class with a benefit now instead of years of further uncertain litigation, including motions to dismiss, disposition of summary judgment motions, a contested trial and likely appeals, with the possibility of no recovery at all.

The Defendant has denied and continues to deny each and all of the claims and contentions alleged in the Amended Class Action Complaint and believes that it has meritorious defenses to those claims and contentions. The Settlement shall in no event be construed as, or deemed to be evidence of, an admission or concession by the Defendant with respect to any claim of any fault or liability or wrongdoing or damage to the Class Members in this Action.

Nevertheless, Defendant has concluded that further defense of the Action would be protracted and expensive, and also has taken into account the uncertainty, risks and distractions inherent in any litigation.

If the Case Had Not Settled: The Settlement must be compared to the risk of no recovery after contested dispositive motions, trial and likely appeals. A trial is a risky proposition and Lead Plaintiffs may not prevail. The claims in the Action involve numerous complex legal and factual issues, many of which would require extensive and costly expert testimony. The Parties disagree on both liability and damages and do not agree on the average amount of damages per share, if any, that would be recoverable if Plaintiffs were to have prevailed on each claim alleged. Among the many key issues about which Lead Plaintiffs and the Defendants do not agree are: (1) whether the Defendant is a successor to Stonefield Josephson, Inc.; (2) whether the Defendant violated the securities laws or otherwise engaged in

any wrongdoing; (3) whether the misrepresentations and omissions alleged by the Lead Plaintiffs were material, false, misleading or otherwise actionable under the securities laws; (4) the extent (if any) that the alleged misrepresentations and omissions influenced the trading prices of Fuqi common stock during the relevant period; and (5) the method for determining whether, and the extent to which, purchasers of Fuqi stock suffered injury and damages that could be recovered at trial.

Statement of the Parties' Position on Damages: The parties do not agree on the average amount of damages per share that would be recoverable if Plaintiffs were to prevail in the Action. The parties disagree on, among other things: (a) the amount of inflation, if any, allegedly caused by the alleged misrepresentations and omissions; (b) to what extent Class Members' losses were caused by the alleged misconduct; and (c) whether Defendant made a materially false statement or had any intent to make one.

Attorneys' Fees and Expenses: Neither Lead Counsel for Plaintiffs, nor Plaintiffs' Additional Counsel have received any payment for their work or reimbursement for expenses incurred in investigating the facts, conducting this litigation and negotiating the Settlement on behalf of the Lead Plaintiff and the Class. Lead Counsel will ask the Court for attorneys' fees not to exceed one-third of the Settlement Fund and expenses not to exceed \$100,000.00 to be paid from the Settlement Fund.

If the above amounts are requested and approved by the Court, the average cost per share of common stock (based on all eligible Class Members submitting valid claims) will be approximately \$0.008 per share, making the estimated recovery per share after fees and expenses of approximately \$0.025 for shares traceable to the Secondary Offering on July 22, 2009 and \$0.010 for those who do not have such claims. The only additional expense charged against the

Net Settlement Fund will be the costs of administration of settlement by the Claims Administrator.

Dismissal and Releases: If the proposed Settlement is approved, the Court will enter a Final Judgment and Order of Dismissal with Prejudice (the “Judgment”). The Judgment will dismiss the Released Claims with prejudice as to the Released Persons, which include the Defendant, its past, present and future partners, limited liability partners, members, directors, officers, employees, shareholders, present and former attorneys, consultants, financial or investment advisors, commercial bankers, underwriters, banks or investment banks, advisors, engineers, principals or agents (including, without limitation, those acting on behalf of or at the direction of Defendant), personal or legal representatives, insurers, reinsurers, predecessors, successors, parent entities, affiliates, subsidiaries, divisions, assigns, any partnership in which Defendant is a general or limited partner, any entity in which Defendant has a controlling interest, any member of the immediate family of any partner, limited liability partner or member, or any trust or foundation of which Defendant is the settlor. Insurers providing insurance coverage to Defendant and present and former partners, limited liability partners or members of Defendant, are expressly included in the definition of Released Persons. The Judgment will provide that all Class Members shall be deemed to have released and forever discharged all Released Claims (to the extent Class Members have such claims) against all Released Persons. The terms of the releases, including the meaning of the term “Released Claims,” are set forth in the Proof of Claim and Release form that is enclosed.

Deadlines:

Submit Claim:	November 24, 2017
File Objection:	December 18, 2017

Request Exclusion: December 18, 2017

Court Hearing on Fairness of Settlement: January 8, 2018; 11:00 a.m.

More Information: www.fuqiclasssettlement.com

Claims Administrator:

In re Fuqi International, Inc. Securities

Litigation – Marcum Litigation

Claims Administrator

c/o Angeion Group

1801 Market Street, Suite 660

Philadelphia, PA 19103

877-351-0335

Lead Counsel:

Abraham, Fruchter & Twersky, LLP

One Penn Plaza, Suite 2805

New York, NY 10119

212-279-5050

Your legal rights are affected whether you act, or don't act. Read this Notice carefully.

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT:

- SUBMIT A CLAIM** The only way to receive a payment – unless you previously submitted a claim in connection with the Fuqi Litigation.
- OBJECT** You may write to the Court if you do not like this Settlement.
- EXCLUDE YOURSELF** Receive no payment. This is the only option that allows you to participate in another lawsuit against the Defendant relating to the class claims being released in this case.
- GO TO A HEARING** You may ask to speak in Court about the fairness of the Settlement.
- DO NOTHING** Receive no payment – unless you previously submitted a claim in connection with the Fuqi Litigation.

- Unless you timely request exclusion from the Class, or unless the Court rejects the proposed Settlement, you are bound by the Settlement Agreement and its Release, whether or not you submit a claim.
- These rights and options — *and the deadlines to exercise them* — are explained in this Notice.
- The Court presiding over this case must decide whether to approve the Settlement. Payments will be made only if the Court approves the Settlement and, if there are any appeals, after appeals are resolved. Please be patient.

WHAT THIS NOTICE CONTAINS

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3. Why is this a class action?
4. Why is there a Settlement?

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6. Where are the exceptions to being included?
7. I'm still not sure if I'm included.

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GETTING MORE INFORMATION

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UNDERSTANDING YOUR PAYMENT

BASIC INFORMATION

1. Why Did I Receive This Notice Package?

You or someone in your family may have purchased or acquired Fuqi common stock between May 15, 2009 and March 27, 2011, and/or purchased or acquired Fuqi common stock pursuant to or traceable to the Secondary Offering on or about July 22, 2009.

This Notice was sent because you have a right to know about a proposed Settlement of a class action lawsuit, and about all of your options, before the Court decides whether to approve the Settlement. If the Court approves the Settlement and after any objections or appeals are resolved, the Claims Administrator appointed by the Court will make the payments to those persons who timely submit claims in the manner described below.

This package explains the lawsuit, the Settlement, your legal rights, what benefits are available, who is eligible for them, and how to get them.

The Court in charge of the case is the United States District Court for the Southern District of New York, and the case is known as *Puerto Rico Government Judiciary Employees Retirement Sys., et al. v. Marcum, LLP*, Case No. 15 Civ. 01938 (DAB). Puerto Rico Government Employees and Judiciary Retirement Systems Administration, Craig B. Laub, J.D. Pisut, and Sandra Redfern, who brought this action, are called Lead Plaintiffs, and the company they sued, Marcum (as alleged successor to Stonefield Josephson, Inc.) is called the Defendant. The Parties include Lead Plaintiffs and the Defendant.

2. What Is This Action About?

This Action alleges violations of the Federal Securities Laws (specifically, Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5 promulgated thereunder, and Section 11 of the Securities Act of 1933) against Defendant.

Fuqi was a publicly traded company based in China. Fuqi is a designer of high quality precious metal jewelry and deals in developing, promoting, and selling a broad range of products to the luxury goods market in China. During the Class Period, Fuqi common stock traded on the Nasdaq Stock Market under the ticker symbol “FUQI.”

The Plaintiffs allege that, during the Class Period, Fuqi's stock price was artificially inflated as a result of untrue or materially misleading statements concerning the Company's financial results. Plaintiffs further contend that Fuqi's independent auditor, Stonefield Josephson, Inc. (the alleged predecessor of Defendant Marcum), made certain statements in connection with Fuqi's financial results knowing them to be false or misleading, or recklessly disregarding their false or misleading natures, and that investors suffered injury as a result of the alleged inflation in Fuqi's stock price.

3. Why Is This a Class Action?

Class actions are generally used in lawsuits that affect a large number of individuals; in effect, the class action operates to consolidate into a single action all of the claims of individuals allegedly harmed by the same conduct or course of conduct, thus alleviating the need for members of the class to file their own individual lawsuits to recover for the harm alleged. Once the class is certified, the Court is empowered to resolve all issues on behalf of members of the class, except for those members of the class, if any, who specifically choose to exclude themselves from the class.

All Class Period purchasers of Fuqi common stock are Class Members, except those persons who timely file a request for exclusion by December 18, 2017. All persons who do not timely exclude themselves from the Class will be bound by the proposed Settlement and its accompanying Release.

4. Why Is There a Settlement?

The Court did not decide in favor of Plaintiffs or Defendant. Instead, both sides agreed to a Settlement after conducting mediation. This permits them to avoid the cost and uncertainty of a trial, and permits eligible Class Members who submit valid claims to receive compensation.

The Lead Plaintiffs and their attorneys believe the Settlement is best for all Class Members, and avoids the possibility of being unsuccessful at trial or during the course of the litigation. The Defendant has concluded that further defense of the Action would be protracted and expensive, and also has taken into account the uncertainty, risks and distractions inherent in any litigation, especially in a complex case such as the Action.

WHO IS IN THE SETTLEMENT

To see if you will receive money from this Settlement, you first have to determine if you are a Class Member.

5. How Do I Know if I Am Part of the Settlement?

The Class includes all persons or entities who purchased or acquired shares of Fuqi common stock between May 15, 2009 and March 27, 2011, inclusive, and/or purchased or acquired Fuqi common stock pursuant to or traceable to the Secondary Offering on or about July 22, 2009.

6. What Are the Exceptions to Being Included?

You are not a Class Member if you are an agent, representative, predecessor, successor, subsidiary, affiliated entity, partner, limited liability partner or member, shareholder, director, officer of Defendant, or, at all relevant times, a member of the immediate families of the partners, limited liability partners or members, shareholders, directors, officers of Defendant, any entity in which any Defendant has or had a legal controlling interest, and the legal representatives, heirs, successors, or assigns of Defendant. Also excluded from the Class are the Fuqi Defendants, the officers and directors of Fuqi, at all relevant times, members of their immediate families, any entity in which any Fuqi Defendant has or had a legal controlling interest, and the legal representatives, heirs, successors, or assigns of any Fuqi Defendant.

7. I'm Still Not Sure if I Am Included.

If you are still not sure whether you are included, you can ask for free help. You can call the Claims Administrator at 877-351-0335 or Abraham, Fruchter & Twersky, LLP at 212-279-5050 for more information. Or you can fill out and return the claim form described below to see if you qualify. If you previously submitted a claim form in connection with the Fuqi Litigation, you do not need to submit another claim form.

THE SETTLEMENT BENEFITS — WHAT YOU GET

8. What Does the Settlement Provide?

The Settlement will result in a fund of \$1.1 million in cash. The balance of this fund after payment of Court-approved attorneys' fees and expenses, any awards to Lead Plaintiffs, and the costs of claims administration, including the costs of printing and mailing this Notice and the cost of publishing the newspaper notice, and taxes (the "Net Settlement Fund") will be divided, pursuant to the Plan of Allocation described below, among all eligible Class Members who send in valid claim forms or who previously sent in a claim form in the Fuqi Litigation.

9. How Much Will My Payment Be?

Your share of the Net Settlement Fund will depend on the number of valid claim forms that Class Members send in, the number of Fuqi common shares you purchased or acquired during the relevant period, and the timing of your purchases and sales.

You can calculate your Recognized Claim in accordance with the formula shown below in the Plan of Allocation. After all Class Members have sent in their Proof of Claim and Release forms, the payment you receive will reflect your Recognized Claim in relation to the Recognized Claims of all persons submitting Claim Forms. The Recognized Claim is not the amount of the payment that you can expect, but is used to determine how the Net Settlement Fund is allocated among all persons submitting claims.

HOW YOU OBTAIN A PAYMENT — SUBMITTING A CLAIM FORM

10. How Will I Obtain a Payment?

To qualify for payment, you must be an eligible Class Member, send in a timely and valid Proof of Claim, and properly document your claim as requested in the Claim Form. A Proof of Claim is enclosed with this Notice. You may also get a Proof of Claim on the internet at www.fuqiclasssettlemet.com. Read the instructions carefully, fill out the Proof of Claim, include all the documents the form requires, sign it, and mail it in the enclosed envelope postmarked no later than November 24, 2017 for delivery to the Claims Administrator at the address listed below.

However, if you previously submitted a timely Proof of Claim in connection with the *Fuqi* Litigation, you do not need to submit an additional Proof of Claim to participate in this Settlement and qualify for payment.

11. When Will I Receive My Payment?

The Court will hold a hearing on January 8, 2018, at 11:00 a.m., to decide whether to approve the Settlement. If the Court approves the Settlement, there may be appeals. It is always uncertain whether these appeals can be resolved, and resolving them can take time, perhaps more than a year. Even if no appeals are filed, it will take several months for the Claims Administrator to process all of the Proof of Claims and determine the ultimate distribution amounts. Each person or entity that sends in a claim form will be informed of the determination with respect to his, her, or its claim. Please be patient.

12. What Am I Giving Up to Receive a Payment?

As a Class Member, you will not be giving up any rights that you currently have by submitting a Proof of Claim to receive a payment. Unless you timely and validly exclude yourself from the Class by the December 18, 2017 deadline, you are a Class Member and will be

bound by the Release of claims against the Defendant. That means that you cannot sue, continue to sue, or be part of any other lawsuit against the Defendant about the Released Claims in this case. It also means that all of the Court's Orders will apply to you and legally bind you and you will release your claims in this case against the Defendant whether or not you submit a valid Proof of Claim. The terms of the Release are included in the claim form that is enclosed. If the Court approves the Settlement, a Judgment will be entered, dismissing the Released Claims with prejudice against Defendant as to all Class Members.

EXCLUDING YOURSELF FROM THE CLASS ACTION SETTLEMENT

If you do not want a payment from the class action Settlement, but you want to keep the right to sue or continue to sue the Defendant on your own for the Released Claims in the class action, then you must take steps to get out of the Class. This is called excluding yourself or is sometimes referred to as opting out of the Class.

13. How Do I Get Out of the Class?

To exclude yourself from the Class, you must send a letter by mail stating that you want to be "excluded from the Class in *Puerto Rico Government Judiciary Employees Retirement Sys., et al. v. Marcum, LLP*, Case No. 15 Civ. 01938 (DAB)." You must include your name, address, telephone number, your signature, and the number of shares of Fuqi common stock you purchased between May 15, 2009 and March 27, 2011, inclusive, and/or the number of shares you purchased or acquired pursuant to or traceable to the Secondary Offering on or about July 22, 2009, the number of shares sold during this time period, if any, and the dates and prices of such purchases and/or sales. A request for exclusion shall not be effective unless it provides all the information called for in this paragraph and is postmarked within the time stated below, or is

otherwise accepted by the Court. You must mail your exclusion request postmarked no later than December 18, 2017 to:

In re Fuqi Securities Litigation – Marcum Litigation
EXCLUSION REQUEST
Claims Administrator
c/o Angeion Group
1801 Market Street, Suite 660
Philadelphia, PA 19103

You cannot exclude yourself on the phone or by e-mail. If you ask to be excluded, you are not eligible to receive any Settlement payment, and you cannot object to the class action Settlement. You will not be legally bound by anything that happens in the class action lawsuit.

14. If I Do Not Exclude Myself, Can I Sue the Defendant for the Same Thing Later?

No. Unless you timely and validly exclude yourself from the Class, you give up any right to sue the Defendant for the Released Claims in the class action Settlement. If you have a pending lawsuit against the Defendant, speak to your lawyer in that case immediately.

Remember, the exclusion deadline is December 18, 2017.

15. If I Exclude Myself, Can I Receive Money from the Class Action Settlement?

No. If you exclude yourself, do not send in a Claim Form. But, you may be able to sue, continue to sue, or be part of a different lawsuit involving the Released Claims against the Defendant.

THE LAWYERS REPRESENTING YOU

16. Do I Have a Lawyer in This Case?

The Court appointed the law firm of Abraham, Fruchter & Twersky, LLP to represent you and other Class Members. These lawyers are called Lead Counsel for Plaintiffs. There are also Additional Counsel for Plaintiffs who have worked on the case. You will not be directly

charged for these lawyers. If you want to be represented by your own lawyer, you may hire one at your own expense.

17. How Will the Lawyers Be Paid?

Lead Counsel will ask the Court for attorneys' fees of one-third of the Settlement Fund and for expenses up to \$100,000.00, which were advanced in connection with the Action. Such sums as may be approved by the Court will be paid from the Settlement Fund. Class Members are not personally liable for any such fees or expenses.

The attorneys' fees and expenses requested will be the only payment to Plaintiffs' Lead Counsel and Additional Counsel for their efforts in achieving this Settlement and for their risk in undertaking this representation on a wholly contingent basis. Lead Counsel for Plaintiffs and Additional Counsel have committed significant time and expenses in litigating this case for the benefit of the Class. To date, Lead Counsel and Additional Counsel have not been paid for their services in conducting this litigation on behalf of Lead Plaintiffs and the Class, nor for their expenses. The fee requested will compensate Lead Counsel and Additional Counsel for their work in achieving the Settlement Fund.

Lead Counsel shall file a formal motion with the District Court for approval of the Settlement, the Plan of Allocation, and the request for attorneys' fees and reimbursement of expenses not later than 35 days prior to the Settlement Hearing. That motion will argue that Lead Counsel's requested fees are well within the range of fees awarded to class counsel under similar circumstances in other cases of this type. The Court determines what counsel should receive from the Settlement Fund for fees and expenses, and may award less than this amount.

OBJECTING TO THE SETTLEMENT

You can tell the Court that you do not agree with the Settlement or some part of it.

18. How Do I Tell the Court that I Do Not Like the Settlement?

If you are a Class Member, you can object to the Settlement if you do not like any part of it, including the Plan of Allocation and the request for attorneys' fees or expenses. To object, you must file a written objection, together with copies of all other papers and briefs supporting the objection, with the Clerk's Office, as stated below, saying that you object to the Settlement in *Puerto Rico Government Judiciary Employees Retirement Sys., et al. v. Marcum, LLP*, Case No. 15 Civ. 01938 (DAB). Be sure to include your name, address, telephone number, your signature, documents sufficient to prove the number of shares of Fuqi common stock purchased and/or acquired between May 15, 2009 and March 27, 2011, inclusive, and/or the number of shares you purchased or acquired pursuant to or traceable to the Secondary Offering on or about July 22, 2009, the dates and prices of each such purchase and/or each sale, and the reasons for each objection, including the legal and evidentiary support you wish to bring to the Court's attention. Any objection must be mailed or delivered such that it is received by *each* of the following no later than December 18, 2017:

Court:

Clerk of the Court
UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK
Daniel Patrick Moynihan U.S. Courthouse
500 Pearl Street
New York, NY 10007-1312

Lead Counsel Designee:

Mitchell M.Z. Twersky

Lawrence D. Levit
Abraham, Fruchter & Twersky, LLP
One Penn Plaza, Suite 2805
New York, NY 10199
212-279-5050

Defendant's Counsel Designee:

Stephen J. Tully
Garrett & Tully, P.C.
4615 E. Thousand Oaks Blvd., Suite 201
Westlake Village , CA 91362
805-446-4141

THE COURT'S SETTLEMENT HEARING

The Court will hold a hearing to decide whether to approve the Settlement. You may attend and you may ask to speak, but you do not have to do either.

19. When and Where Will the Court Decide Whether to Approve the Settlement?

The Court will hold a Settlement Hearing on January 8, 2018, at 11:00 a.m., at the Daniel Patrick Moynihan U.S. Courthouse, 500 Pearl Street, Courtroom 24B, New York, New York, 10007. At this hearing the Court will consider whether the Settlement is fair, reasonable and adequate. The Court may move the date or time of the Settlement Hearing to a later date and/or time without further written notice to you. If the date or time of the Settlement Hearing is changed, the new date and/or time will be posted at www.fuqiclasssettlement.com. If there are objections, the Court will consider them. The Court will also consider how much to pay to Lead Counsel for Plaintiffs and the Lead Plaintiffs, and whether the Plan of Allocation is fair, reasonable and adequate. The Court may decide these issues at the hearing or take them under consideration for a later decision. We do not know how long these decisions will take.

20. Do I Have to Come to the Hearing?

No. Lead Counsel will answer questions the Court may have. But, you are welcome to come at your own expense. If you send an objection, you do not have to come to Court to talk about it. As long as you mailed your written objection on time, the Court will consider it. You may also pay your own lawyer to attend, but it is not necessary.

21. May I Speak at the Hearing?

You may ask the Court for permission to speak at the Settlement Hearing. To do so, you must send a letter saying that it is your intention to appear in *Puerto Rico Government Judiciary Employees Retirement Sys. et al. v. Marcum, LLP*, Case No. 15 Civ. 01938 (DAB). Be sure to include your name, address, telephone number, your signature, and the number of shares of Fuqi common stock purchased or acquired, and sold, between May 15, 2009 and March 27, 2011, inclusive, and/or the number of shares you purchased or acquired pursuant to or traceable to the Secondary Offering on or about July 22, 2009. Your notice of intention to appear must be received no later than December 18, 2017, by the Clerk of the Court, Lead Counsel Designee and Defendant's Counsel Designees, at the addresses listed above. If you intend to present evidence or witnesses, you must disclose that information and explain it in your letter. You cannot speak at the hearing if you exclude yourself from the Class.

IF YOU DO NOTHING

22. What Happens if I Do Nothing at All?

If you do nothing, all of your claims against the Defendant will be released, but you will not receive any money from this Settlement because it is necessary to submit a Proof of Claim to receive a distribution from the Settlement Fund unless you previously submitted a Proof of Claim in the Fuqi Litigation. You will still be bound by any judgment entered by the Court if you do nothing.

GETTING MORE INFORMATION

23. Are There More Details About the Settlement?

This Notice summarizes the proposed Settlement. More details are in the Stipulation of Settlement dated as of October 6, 2016. You can obtain a copy of the Stipulation of Settlement or more information about the Settlement by contacting Lead Counsel:

Abraham, Fruchter & Twersky, LLP
One Penn Plaza, Suite 2805
New York, NY 10119
212-279-5050

or the Claims Administrator:

Claims Administrator
c/o Angeion Group
1801 Market Street, Suite 660
Philadelphia, PA 19103

or by visiting www.fuqiclasssettlement.com

You can also obtain a copy from the Clerk's office during regular business hours:

Clerk of the Court
UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK
Daniel P. Moynihan U.S. Courthouse
500 Pearl Street
New York, New York 10007-1312

24. How Do I Get More Information?

All inquiries concerning this Notice should be directed to:

Claims Administrator: Fuqi Securities Litigation – Marcum Litigation c/o Angeion Group 1801 Market Street, Suite 660 Philadelphia, PA 19103 www.fuqiclasssettlement.com	Lead Counsel: Abraham, Fruchter & Twersky, LLP One Penn Plaza, Suite 2805 New York, NY 10119
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UNDERSTANDING YOUR PAYMENT

The Net Settlement Fund shall be distributed to Class Members who submit acceptable Proofs of Claim, or have previously submitted acceptable Proofs of Claim in connection with the *Fuqi* Litigation (“Authorized Claimants”) in the following manner:

a. The Claims Administrator shall determine each Authorized Claimant’s share of the Net Settlement Fund based upon the recognized loss formula (the “Recognized Loss”) described below. The Recognized Loss formula is intended to equitably apportion the Net Settlement Fund among Class Members. The Recognized Loss formula is not an estimate of what a Class Member would have recovered after trial; nor is it the amount that the Authorized Claimant will be paid pursuant to the Settlement.

b. A Class Member’s actual share of the Net Settlement Fund will be determined by the ratio of the Class Member’s Recognized Loss divided by the aggregate of the Recognized Losses of all Class Members.

c. This Plan of Allocation is based on the following principles applicable to Class Members if the Action had gone to trial:

- i. Lead Plaintiff asserted claims pursuant to Section 10(b) of the Securities Exchange Act of 1934 (“Section 10(b”). Damages under Section 10(b) are calculated, among other things, by determining the stock price drop caused by the disclosure of information correcting prior materially false and misleading statements or reflecting materializations of risks which were a foreseeable consequence of the alleged concealment.
- ii. Lead Plaintiff also asserted claims pursuant to Section 11 of the Securities Act of 1933 (“Section 11”). Damages under Section 11 are calculated

based on, among other things, the price of the shares in the Secondary Offering, the price of the shares when the first complaint was filed in this Action and the price of the shares when they were sold.

- d. Accordingly, a Class Member's Recognized Loss shall be calculated as follows:

GENERAL PROVISIONS

The term "Recognized Loss," as used herein, is not market loss or net market loss. Rather, it is a calculation to arrive at a loss (or gain) figure for purposes of calculating an Authorized Claimant's pro rata participation in the Net Settlement Fund as described below.

The term "Net Settlement Fund" has the same meaning as in the Stipulation of Settlement.

BASIS FOR RECOGNIZED LOSS FOR CLAIMS

A "Recognized Loss" will be calculated for each acquisition/purchase of Fuqi common stock made during the Class Period as listed in the Proof of Claim and for which adequate documentation is provided.

The Recognized Losses for a claimant's transactions will be calculated by the Claims Administrator in consultation with Lead Plaintiff's Counsel in accordance with the provisions of this Plan of Allocation.

A. Computation of Loss Per Share for Common Stock Purchases/Acquisitions

Computation of the Loss Per Share reflects price changes of Fuqi common stock in reaction to certain public announcements regarding Fuqi or other Company information related to the alleged fraud, based on the allegations in the Amended Class Action Complaint filed on October 27, 2016 and the evidence developed in support thereof.

B. Use of “FIFO” Methodology for Computation of Recognized Losses for Class Members Who Made Multiple Transactions in Fuqi Common Stock

For claimants who made multiple purchases, acquisitions or sales of Fuqi common stock, purchases will be matched to sales using the “first-in/first out” (FIFO) inventory method, which matches sales to purchases during the Class Period or the PSLRA 90-Day Lookback Period. Specifically, the earliest sale will be matched first against the claimant’s opening position on the first day of the Class Period, if any, and then matched chronologically thereafter against each purchase or acquisition during the Class Period. Sales matched to shares of Fuqi common stock from a claimant’s opening position or matched to shares purchased during the PSLRA 90-Day Lookback Period are excluded from the calculation of Recognized Loss and market loss (or gain).

Short sales and purchases to cover short sales (whether they occurred before, during, or after the Class Period) are not included when calculating Recognized Loss or market loss (or gain).

If a claimant had a market gain from his, her, or its overall transactions in Fuqi common stock during the Class Period, the value of his, her, or its Net Recognized Loss will be \$0.00. To the extent a claimant suffered an overall market loss on his, her, or its overall transactions in Fuqi common stock during the Class Period, but that market loss was less than the Net Recognized Loss as calculated by this Plan of Allocation, then the claimant’s Net Recognized Loss shall be limited to the amount of the actual market loss.

C. Acquisition by Gift, Inheritance or Operation of Law

If a claimant acquired Fuqi common stock by way of gift, inheritance or operation of law, such a claim will be computed by using the date and price of the original purchase and not the

date and price of transfer. The grantor of the gift or devise, who purchased Fuqi common stock during the Class Period, shall retain the right to file a claim in this Action unless that right to file a claim was specifically transferred in the instrument of gift or assignment.

D. Payments Less Than \$20

No Authorized Claimant whose proportionate share of the Net Settlement Fund is less than \$20.00 shall receive a distribution from the Net Settlement Fund. Rather, that claimant's proportionate share of the Net Settlement Fund shall be redistributed among all remaining Authorized Claimants.

CALCULATION OF RECOGNIZED LOSS PER SHARE

A. For each share of Fuqi common stock purchased or otherwise acquired during the Class Period (excluding shares acquired in the July 2009 Offering), Recognized Loss Per Share will be computed as follows:

- i. If sold on or before November 8, 2009, the Recognized Loss Per Share is \$0.
- ii. If sold on or after November 9, 2009, but on or before June 24, 2011 (the end of the PSLRA 90-Day Lookback Period), the Recognized Loss Per Share is the lower of (but not less than zero): (a) artificial inflation at purchase (as shown in Table 1) minus artificial inflation at sale (as shown in Table 1); or (b) purchase price minus sale price.
- iii. If still held as of the close of trading on June 24, 2011, the Recognized Loss Per Share is the lower of (but not less than zero): (a) artificial inflation at purchase as shown in Table 1; or (b) purchase price minus \$3.23 (the average closing price during the PSLRA 90-Day Lookback Period).

Table 1

Transaction Period			
Start Date		End Date	Artificial Inflation
May 15, 2009	to	May 15, 2009	\$7.61
May 18, 2009	to	May 18, 2009	\$9.05
May 19, 2009	to	May 19, 2009	\$10.07
May 20, 2009	to	May 20, 2009	\$10.00
May 21, 2009	to	May 21, 2009	\$10.42
May 22, 2009	to	May 25, 2009	\$10.28
May 26, 2009	to	May 26, 2009	\$11.41
May 27, 2009	to	August 5, 2009	\$11.44
August 6, 2009	to	November 8, 2009	\$14.71
November 9, 2009	to	March 16, 2010	\$10.04
March 17, 2010	to	September 8, 2010	\$2.75
September 9, 2010	to	March 16, 2011	\$1.22
March 17, 2011	to	March 27, 2011	\$0.60
March 28, 2011	to	June 24, 2011	\$0.00

B. For each share of Fuqi common stock purchased or otherwise acquired in the July 2009 Offering, the Recognized Loss Per Share will be calculated as follows:

- i. If sold on or before November 8, 2009, the Recognized Loss per share is \$0;
- ii. If sold on or after November 9, 2009, but on or before March 19, 2010 (the lawsuit filing date), the Recognized Loss per share is the lesser of (but not less than zero) (i) the purchase price minus the sale price; or (ii) \$21.50 (the Offering price) minus the sale price;
- iii. If still held as of the close of trading on March 19, 2010, the Recognized Loss per share is the lower of (i) the purchase price or \$21.50 (the Offering price) minus (ii) the greater of the sale price or \$7.55 (the value on March 19, 2010).
- iv. The Recognized Loss Per Share (as calculated in B. ii or iii above) is then multiplied by 2.5.

COMPUTATION OF NET RECOGNIZED LOSS FOR EACH CLASS MEMBER

The Net Recognized Loss is calculated by: (i) multiplying the number of shares from each transaction of Fuqi common stock purchased or otherwise acquired during the Class Period (excluding shares acquired in the July 2009 Offering) times the appropriate Recognized Loss Per Share, as described in Section A. above; plus (ii) multiplying the number of shares from each transaction of Fuqi common stock purchased or otherwise acquired in the July 2009 Offering times the appropriate Recognized Loss Per Share, as described in Section B. above.

Any gains that result from the calculation of Recognized Loss in Section A. and B. will offset losses in calculating each Authorized Claimant's Net Recognized Loss.

If an Authorized Claimant had a market gain from his, her, or its overall transactions in Fuqi common stock during the Class Period, the resulting Net Recognized Loss will be \$0.00. If an Authorized Claimant had an overall market loss on the total of the Authorized Claimant's overall transactions in Fuqi common stock during the Class Period, the resulting Net Recognized Loss is the lower of the Net Recognized Loss as calculated above or the actual market loss.

DISTRIBUTION OF THE NET SETTLEMENT FUND

The Net Recognized Loss will be used for calculating the relative amount of participation by Authorized Claimants in the Net Settlement Fund and does not reflect the actual amount an Authorized Claimant can expect to recover from the Net Settlement Fund. The Net Recognized Losses of all Authorized Claimants may be greater than the Net Settlement Fund. In such event, each Authorized Claimant shall receive his, her or its *pro rata*, or proportionate, share of the Net Settlement Fund, which shall be his, her or its Net Recognized Loss divided by the total of Net Recognized Losses for all Authorized Claimants, multiplied by the total amount in the Net Settlement Fund.

If there is any balance remaining in the Net Settlement Fund after at least six (6) months from the date of distribution of the Net Settlement Fund (whether by reason of tax refunds, uncashed checks or otherwise), Lead Plaintiff's Counsel shall, if feasible and economical, reallocate such balance among Authorized Claimants who have cashed their checks in an equitable and economic fashion. Any balance that still remains in the Net Settlement Fund, after payment of Notice and Administration Expenses, Taxes, and attorneys' fees and expenses and Lead Plaintiff awards, if any, shall be contributed to nonsectarian, not-for-profit organization(s) selected by Class Counsel.

A purchase or sale of Fuqi common stock shall be deemed to have occurred on the "contract" or "trade" date as opposed to the "settlement" or "payment" date.

The receipt of Fuqi common stock during the Class Period in exchange for securities of any other corporation or entity shall not be deemed a purchase or sale of Fuqi common stock.

Class Members who do not submit a timely request for exclusion, do not submit an acceptable Proof of Claim by the deadline for submitting claims will not share in the recovery, or who did not submit an acceptable Proof of Claim in connection with the *Fuqi* Litigation, will, nevertheless, be bound by the Settlement and the Judgment of the Court dismissing this Action.

Distributions will be made to Authorized Claimants after all claims have been processed and after the Court has finally approved the Settlement.

DO NOT TELEPHONE THE COURT REGARDING THIS NOTICE

SPECIAL NOTICE TO BANKS, BROKERS, AND OTHER NOMINEES

1. The Court has ordered that if you held any Fuqi common stock purchased or acquired between May 15, 2009 and March 27, 2011, inclusive, and/or purchased or acquired Fuqi common stock pursuant to or traceable to the Secondary Offering on or about July 22, 2009, as nominee for a beneficial owner, then, within twenty (20) days after you receive this Notice,

you must either: (1) send a copy of this Notice by first-class mail to all such Persons; or (2) provide a list of the names and addresses of such Persons to the Claims Administrator:

In re Fuqi International, Inc. Securities Litigation – Marcum Litigation
Claims Administrator
c/o Angeion Group
1801 Market Street, Suite 660
Philadelphia, PA 19103

NOTE: If you previously provided a list of names and addresses of potential Class Members to the Claims Administrator in connection with the initial Fuqi Litigation, you do not need to re-submit those same names and address for this Marcum Litigation, as they will automatically be mailed a copy of this Notice. If you have any additional potential Class Members to whom you would like the Claims Administrator to send this Marcum Litigation Notice, please provide those names and addresses to the Claims Administrator.

2. If you choose to mail the Notice and Proof of Claim and Release yourself, you may obtain from the Claims Administrator (without cost to you) as many additional copies of these documents as you will need to complete the mailing. If you do not intend to comply with the provisions of this section you are to notify the Claims Administrator of that fact at the address listed above.

3. Regardless of whether you choose to complete the mailing yourself or elect to have the mailing performed for you, you may obtain reimbursement for reasonable administrative costs actually incurred in connection with forwarding the Notice and which would not have been incurred but for the obligation to forward the Notice, upon submission of appropriate documentation to the Claims Administrator.

DATED: June 27, 2017

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

**IN THE UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK**

-----X
PUERTO RICO GOVERNMENT JUDICIARY :
EMPLOYEES RETIREMENT SYSTEM :
ADMINISTRATION, CRAIG B. LAUB, J.D. :
PISUT and SANDRA REDFERN, : 15 Civ. 01938 (DAB)
 :
Plaintiffs, :
 :
-against- :
 :
 :
MARCUM, LLP, as successor to STONEFIELD :
JOSEPHSON, INC., :
 :
Defendant. :
-----X

PROOF OF CLAIM AND RELEASE

EXHIBIT A-2

I. GENERAL INSTRUCTIONS

1. To recover as a Member of the Class (defined below) based on your claims in the action entitled, *Puerto Rico Government Judiciary Employees Retirement Sys., et al. v. Marcum, LP*, Case No. 15 Civ. 01938 (DAB) (the “Action”), you must complete and, on page ___ hereof, sign this Proof of Claim and Release unless you have previously submitted an acceptable Proof of Claim and Release in connection with the settlement of the related class action litigation *In Re Fuqi International, Inc. Securities Litigation*, 10 Civ. 2515 (DAB) (the “*Fuqi* Litigation”). Even if you do not fill out this Proof of Claim and Release, any and all claims you may have against the Defendant in this Action are released to the full extent defined below by virtue of your participation in this Class Action as a non-excluded Class Member. If you fail to file a properly addressed (as set forth in paragraph 3 below) Proof of Claim and Release, and have not previously filed an acceptable Proof of Claim and Release in the *Fuqi* Litigation, 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 Action.

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

3. UNLESS YOU HAVE PREVIOUSLY SUBMITTED AND ACCEPTABLE PROOF OF CLAIM AND RELEASE IN CONNECTION WITH THE SETTLEMENT OF THE *FUQI* LITIGATION, YOU MUST MAIL YOUR COMPLETED AND SIGNED PROOF OF CLAIM AND RELEASE POSTMARKED ON OR BEFORE November 24, 2017, ADDRESSED AS FOLLOWS:

Fuqi International, Inc. Securities Litigation
Claims Administrator
c/o Angeion Group
1801 Market Street, Suite 660
Philadelphia, PA 19103

If you are NOT a Member of the Class, as defined in the Notice of Proposed Settlement of Class Action, Motion for Attorneys' Fees and Settlement Fairness Hearing ("Notice"), DO NOT submit a Proof of Claim and Release form.

4. If you are a Member of the Class, and you did not timely and validly request exclusion in connection with the proposed Settlement, you are bound by the terms of any Judgment entered in the Action, including the Release provided in the Settlement Agreement, WHETHER OR NOT YOU SUBMIT A PROOF OF CLAIM AND RELEASE FORM.

II. DEFINITIONS

5. "Claims Administrator" means Angeion Group.

6. "Class" means

All persons or entities who purchased or otherwise acquired Fuqi's common stock between May 15, 2009 through and including March 27, 2011, and a Subclass of all persons or entities who purchased or acquired Fuqi common stock pursuant to or traceable to the Secondary Offering on or about July 22, 2009, and who were damaged thereby. Excluded from the Class are Defendant, its agents, representatives, predecessors, successors, subsidiaries, affiliated entities, partners, limited liability partners or members, shareholders, directors, officers, at all relevant times, members of the immediate families of the partners, limited liability partners or members, shareholders, directors, officers of Defendant, any entity in which the Defendant has or had a legal controlling interest, and the legal representatives, heirs, successors, or assigns of Defendant. Also excluded from the Class are the Defendants in the Fuqi Litigation (the "Fuqi Defendants"), Fuqi's officers and directors, at all relevant times, members of their immediate families, any entity in which any of the Fuqi Defendants has or had a legal controlling interest, and the legal representatives, heirs, successors, or assigns of any of the Fuqi Defendants.

7. In addition, excluded from the Class are those Persons who timely and validly request exclusion from the Class by the December 18, 2017 deadline pursuant to the Notice of Proposed Settlement of Class Action, Motion For Attorneys' Fees and Settlement Fairness Hearing.

8. “Class Member” or “Member of the Class” means a Person who falls within the definition of the Class.

9. “Defendant” means Marcum, LLP, including its alleged predecessor Stonefield Josephson, Inc., and their partners, limited liability partners, shareholders and members.

10. “Fuqi” means Fuqi International, Inc.

11. “Parties” means, collectively, the Defendant and the Lead Plaintiffs on behalf of themselves and the Class Members.

12. “Released Claims” means any and all past or present claims (including Unknown Claims), complaints, demands, losses, obligations, judgments, suits, matters, rights, liabilities, allegations of liability, restitution, and causes of action of every kind or nature whatsoever (including, but not limited to, all claims for damages, interest, attorneys’ fees and expert consulting fees and all other costs, expenses and liabilities whatsoever), whether based at law or in equity, on federal, state, local, foreign, statutory or common law or on any other law, rule, or regulation (including, but not limited to, any claims arising under federal, state or foreign law, common law, statute, rule, or regulation arising out of or relating to any acts, omissions, disclosures, public filings, registration statements, financial statements, audit opinions, or statements of any kind by the Defendant, and those people acting under their control, including without limitation, claims for negligence, gross negligence, constructive or actual fraud, violations of the federal or state securities laws, negligent misrepresentation, conspiracy, or breach of fiduciary or any other duty), whether known or unknown, concealed or hidden, accrued or not accrued, foreseen or unforeseen, contingent or absolute, suspected or unsuspected, disclosed or undisclosed, asserted or unasserted, matured or not matured, that were asserted or that could have been asserted directly, indirectly, representatively or in any other capacity, at any

time, in any court, tribunal, forum or proceeding by Plaintiffs against the Released Persons arising out of or based upon: the purchase, acquisition, sale, or disposition of any publicly traded shares of common stock of Fuqi by any Plaintiff during the Class Period; the allegations that were made or could have been made in the Litigation; and any of the facts, transactions, events, occurrences, disclosures, statements, acts, omissions or failures to act which were or that could have been asserted by Plaintiffs in the Litigation. “Released Claims” do not include (i) claims to enforce the Settlement; (ii) any derivative claims brought on behalf of Fuqi which arise from the same underlying facts asserted in the Litigation; and (iii) any claims brought under the Employee Retirement Income Security Act of 1974, 29 U.S.C. 18 (“ERISA”), which arise from the same underlying facts asserted in the Litigation.

13. “Released Persons” means Defendant, its past, present and future partners, limited liability partners, members, directors, officers, employees, shareholders, present and former attorneys, consultants, financial or investment advisors, commercial bankers, underwriters, banks or investment banks, advisors, engineers, principals or agents (including, without limitation, those acting on behalf of or at the direction of Defendant), personal or legal representatives, insurers, reinsurers, predecessors, successors, parent entities, affiliates, subsidiaries, divisions, assigns, any partnership in which Defendant is a general or limited partner, any entity in which Defendant has a controlling interest, any member of the immediate family of any partner, limited liability partner or member, or any trust or foundation of which Defendant is the settlor. Insurers providing insurance coverage to Defendant and present and former partners, limited liability partners or members of Defendant, are expressly included in the definition of Released Persons.

14. “Unknown Claims” shall collectively mean any and all Released Claims which Plaintiffs or any Class Member does not know or suspect to exist in his, her or its favor at the

time of the release of the Released Persons which, if known by him, her or it, might have affected his, her or its settlement with and release of the Released Persons, or might have affected his, her or its decision not to object to this Settlement. Unknown Claims include those claims in which some or all of the facts comprising the claim may be suspected, or even undisclosed, concealed, or hidden. Notwithstanding the choice of law provisions in this Stipulation, with respect to any and all Released Claims, the Settling Parties stipulate and agree that, upon the Effective Date, Plaintiffs shall expressly waive, and each of the Class Members shall be deemed to have, and by operation of the Judgment shall have, expressly waived the provisions, rights, and benefits of 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 shall expressly waive, and each of the Class Members shall be deemed to have, and by operation of the Judgment shall have, expressly waived any and all provisions, rights, and benefits conferred by any law of any state or territory of the United States, or principle of common law or foreign law, which is similar, comparable or equivalent in effect to California Civil Code §1542. Plaintiffs and Class Members may hereafter discover facts in addition to or different from those which he, she or it now knows or believes to be true with respect to the subject matter of the Released Claims, but Plaintiffs shall expressly and each Class Member, upon the Effective Date, shall be deemed to have, and by operation of the Judgment shall have, fully, finally, and forever settled and released any and all Released Claims, known or unknown, suspected or unsuspected, contingent or non-contingent, whether or not concealed or hidden, which now exist, or heretofore have existed, upon any theory of law or equity now existing, heretofore have existed, or coming into existence in the future, including, but not limited to,

conduct which is negligent, reckless, intentional, with or without malice, or a breach of any duty, law, rule or regulation, without regard to the subsequent discovery or existence of such different or additional facts. Plaintiffs acknowledge, and the Class Members shall be deemed by operation of the Judgment to have acknowledged, that the foregoing waiver was separately bargained for and a key element of the Settlement of which this release is a part.

III. CLAIMANT IDENTIFICATION

15. If you purchased or acquired Fuqi common stock and held the certificate(s) in your name, you are the beneficial owner as well as the record holder. If, however, the certificate(s) were registered in the name of a third party, such as a nominee or brokerage firm through which you purchased the stock, you are the beneficial owner and the third party is the record holder.

16. Use Part I of this form entitled “Claimant Identification” to identify each holder of record (“nominee”), if different from the beneficial owner of Fuqi securities which form the basis of this claim. **THIS CLAIM MUST BE FILED BY THE ACTUAL BENEFICIAL OWNER(S), OR THE LEGAL REPRESENTATIVE OR PERSON AUTHORIZED TO ACT ON BEHALF OF SUCH OWNER(S) OF THE FUQI COMMON STOCK UPON WHICH THIS CLAIM IS BASED.**

17. All joint owners must sign this claim. Executors, administrators, guardians, conservators and trustees or others authorized to act on behalf of a beneficial owner, must complete and sign this claim on behalf of persons represented by them and their authority must accompany this claim and their titles or capacities must be stated. The last four digits of 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

18. Use Part II of this form entitled “Schedule of Transactions in Fuqi Common Stock” to supply all required details of your transaction(s) in Fuqi common stock. 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.

19. On the schedules, provide all of the requested information with respect to all of your purchases/acquisitions and all of your sales of Fuqi common stock which took place at any time between May 15, 2009 and March 27, 2011, inclusive (the “Class Period”), and/or your purchases/acquisitions and all of your sales of Fuqi common stock pursuant to or traceable to the Secondary Offering on or about July 22, 2009, and all of your purchases and all of your sales of Fuqi common stock that took place at any time between March 27, 2011 and June 24, 2011, whether such transactions resulted in a profit or a loss. You must also list all shares of Fuqi common stock you held as of the beginning of trading on May 15, 2009, on March 28, 2011 and on June 24, 2011. Failure to report all such transactions may result in the rejection of your claim.

20. List each transaction 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.

21. Copies of broker confirmations, brokerage statements reflecting your transactions, or other documentation of your transactions in Fuqi common stock should be attached to your claim. If you do not have documentation from your broker, you may also attach any documents or schedules that you attached to any federal tax return that reflect your purchases and sales of Fuqi common stock. Failure to provide this documentation could delay verification of your claim or result in rejection of your claim.

22. The above requests are designed to provide the minimum amount of information necessary to process the simplest 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 Class with the information provided, the Claims Administrator may condition acceptance of the claim upon the production of additional information that it may, in its discretion, require to process the claim and/or the hiring of an accounting expert at the Claimant's cost.

NOTICE REGARDING ELECTRONIC FILES: Certain claimants with large numbers of transactions may request, or may be requested, to submit information regarding their transactions in electronic files. All claimants **MUST** submit a manually signed paper Proof of Claim and Release whether or not they also submit electronic copies. If you wish to file your claim electronically, you must contact the Claims Administrator at 1-877-351-0335 or visit their website at www.fuqiclasssettlement.com to obtain the required file layout. No electronic files will be considered to have been properly submitted unless the Claims Administrator issues to the claimant a written acknowledgment of receipt and acceptance of electronically submitted data.

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK**

Puerto Rico Government Judiciary Employees Retirement Sys., et al. v. Marcum, LP

Case No. 15 Civ. 01938 (DAB)

PROOF OF CLAIM AND RELEASE - Must Be Postmarked No Later Than:

November 24, 2017

(IF YOU HAVE PREVIOUSLY SUBMITTED AN ACCEPTABLE PROOF OF CLAIM AND
RELEASE IN THE *FUQI* LITIGATION, YOU DO **NOT** NEED TO COMPLETE OR
SUBMIT THIS FORM)

Please Type or Print

PART I: CLAIMANT IDENTIFICATION

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

Street Address

City

State

Zip Code or Postal Code

Foreign Province

Foreign Country

Last four digits of Social Security

Number or Taxpayer Identification Number

Individual

Corporation/Other

Area Code

Telephone Number

(work)

Area Code

Telephone Number

(home)

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

PART II: SCHEDULE OF TRANSACTIONS IN FUQI COMMON STOCK

- A. Number of shares of Fuqi common stock held at the beginning of trading on May 15, 2009: _____.
- B. Purchases or acquisitions of Fuqi common stock (May 15, 2009 – June 24, 2011, inclusive):

Trade Date Month Day Year	Number of Shares Purchased or Acquired	Total Purchase or Acquisition Price
1. _____	1. _____	1. _____
2. _____	2. _____	2. _____
3. _____	3. _____	3. _____

(Please attach additional pages as necessary.)

- C. Purchases or acquisitions of Fuqi common stock in the Secondary Offering dated on or about July 22, 2009. (If none, write “zero” or “0”): _____
- D. Sales of Fuqi common stock from May 15, 2009 to the date this form is completed, inclusive):

Trade Date Month Day Year	Number of Shares Sold	Total Sales Price
1. _____	1. _____	1. _____
2. _____	2. _____	2. _____
3. _____	3. _____	3. _____

(Please attach additional pages as necessary.)

- E. Number of shares of Fuqi common stock held at the close of trading on March 27, 2011. If none, write “zero” or “0”: _____.
- F. Number of shares of Fuqi common stock held at the close of trading on June 24, 2011. If none, write “zero” or “0”: _____.
- G. Number of shares of Fuqi common stock owned on the date this form is completed. If none, write “zero” or “0”: _____

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 _____. FAILURE TO SIGN THE RELEASE MAY RESULT IN A DELAY IN PROCESSING OR THE REJECTION OF YOUR CLAIM.

V. SUBMISSION TO JURISDICTION OF COURT AND ACKNOWLEDGMENTS

I (We), _____ submit this Proof of Claim and Release under the terms of the Stipulation of Settlement dated as of October 6, 2016 (“Settlement Agreement”) 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 (our) claim as a Class Member (as defined in the Notice) and for purposes of enforcing the release set forth herein. I (We) further acknowledge that I am (we are) bound by and subject to the terms of any judgment that may be entered in the Action. I (We) agree to furnish additional information to Lead Counsel for Plaintiffs and/or the Claims Administrator to support this claim if required to do so. I (We) have not submitted any other claim covering the same purchases/acquisitions or sales of Fuqi common stock during the Class Period and know of no other Person having done so on my (our) behalf (other than a claim submitted in connection with the Fuqi Litigation).

VI. RELEASE

23. 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 the Defendant and the Released Persons.

24. This Release shall be of no force or effect unless and until the Court approves the Settlement Agreement and it becomes effective on the Effective Date.

25. 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.

VII. CERTIFICATION

Under penalty of perjury, I (we) hereby certify and represent that I (we) have included information about all of my (our) holdings of Fuqi common stock at the beginning of trading on

May 15, 2009; all of my (our) purchases and sales of Fuqi common stock from May 15, 2009 to June 24, 2011, inclusive; all of my (our) purchases of Fuqi common stock in the Secondary Offering; the number of shares of Fuqi common stock held by me (us) at the close of trading on March 27, 2011 and on June 24, 2011 as well as the number of shares of Fuqi common stock held by me (us) as of the date of this certification and that such information is true and correct to the best of my (our) knowledge. By executing this certification, I (we) acknowledge and agree to be bound by the Release set forth above.

I (We) hereby warrant and represent that I am (we are) not excluded from the Class, as defined in the Notice.

I (We) 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)

SUBSTITUTE FORM W-9

Request for Taxpayer Identification Number (“TIN”) and Certification

PART I

NAME: _____

Check appropriate box:

- | | |
|---|---------------------------------------|
| <input type="checkbox"/> Individual/Sole Proprietor | <input type="checkbox"/> Pension Plan |
| <input type="checkbox"/> Corporation | <input type="checkbox"/> Partnership |
| <input type="checkbox"/> IRA | <input type="checkbox"/> Trust |
| <input type="checkbox"/> 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 you 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 both the claim form at Paragraph VII and the Substitute Form W-9 above.
2. Remember to attach supporting documentation, if available.
3. Do not send original stock certificates.
4. Keep a copy of your claim form and all supporting documentation for your records.
5. If you desire an acknowledgment of receipt of your claim form, please send it Certified Mail, Return Receipt Requested.
6. If you move, please send us your new address.

**IN THE UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK**

-----X
PUERTO RICO GOVERNMENT JUDICIARY :
EMPLOYEES RETIREMENT SYSTEM :
ADMINISTRATION, CRAIG B. LAUB, J.D. :
PISUT and SANDRA REDFERN, : 15 Civ. 01938 (DAB)
 :
Plaintiffs, :
 :
-against- :
 :
 :
MARCUM, LLP, as successor to STONEFIELD :
JOSEPHSON, INC., :
 :
Defendant. :
-----X

SUMMARY NOTICE

EXHIBIT A-3

TO: ALL PERSONS OR ENTITIES WHO PURCHASED OR ACQUIRED FUQI INTERNATIONAL, INC. COMMON STOCK BETWEEN MAY 15, 2009 AND MARCH 27, 2011, INCLUSIVE, AND/OR WHO PURCHASED OR ACQUIRED FUQI INTERNATIONAL, INC. COMMON STOCK PURSUANT TO OR TRACEABLE TO THE SECONDARY OFFERING ON OR ABOUT JULY 22, 2009.

1. YOU ARE HEREBY NOTIFIED, pursuant to Rule 23 of the Federal Rules of Civil Procedure and an Order of the United States District Court for the Southern District of New York, that a hearing will be held on January 8, 2018, at 11:00 a.m., before The Honorable Deborah A. Batts, at the Daniel P. Moynihan U.S. Courthouse, 500 Pearl Street, Courtroom 24B, New York, New York, for the purpose of determining: (1) whether the proposed Settlement of the claims in the above-captioned litigation (the “Action”) for the principal sum of \$1,100,000 in cash, plus accrued interest, should be approved by the Court as fair, reasonable and adequate to Members of the Class; (2) whether, thereafter, this Action should be dismissed with prejudice pursuant to the terms and conditions set forth in the Stipulation of Settlement dated as of October 6, 2016 (the “Settlement Agreement”); (3) whether the proposed plan to distribute the Settlement proceeds (the “Plan of Allocation”) is fair, reasonable and adequate and therefore should be approved; and (4) whether the application of Lead Counsel for the payment of attorneys’ fees and expenses incurred in connection with this Action should be approved and reimbursement awards to Lead Plaintiffs should be approved.

2. If you purchased or acquired Fuqi International, Inc. (“Fuqi”) common stock between May 15, 2009 and March 27, 2011, inclusive, and/or purchased or acquired Fuqi common stock pursuant to or traceable to the Secondary Offering on or about July 22, 2009, and were damaged thereby, your rights may be affected by this Settlement. If you have not received a detailed Notice of Proposed Settlement of Class Action, Motion for Attorneys’ Fees and Settlement Fairness Hearing (“Notice”) and a copy of the Proof of Claim and Release, you may

obtain copies by writing to *In re Fuqi International, Inc. Securities Litigation - Marcum Litigation* Claims Administrator, c/o Angeion Group, 1801 Market Street, Suite 660, Philadelphia, PA 19103, or you can download a copy at www.fuqiclasssettlement.com. If you are a Class Member, in order to share in the distribution of the Net Settlement Fund, you must submit a Proof of Claim and Release postmarked no later than November 24, 2017, establishing that you are entitled to recovery. If you previously submitted a Proof of Claim and Release in connection with the settlement of the litigation against Fuqi International, Inc. and others, you do not need to submit another Proof of Claim and Release.

3. If you desire to be excluded from the Class, you must submit a request for exclusion postmarked by December 18, 2017, in the manner and form explained in the detailed Notice referred to above. All Members of the Class who do not timely and validly request exclusion from the Class will be bound by any judgment entered in the Action pursuant to the terms and conditions of the Settlement Agreement.

4. Any objection to the Settlement must be mailed or delivered, in the manner and form explained in the detailed Notice referred to above, such that it is received by each of the following no later than December 18, 2017:

Court:

Clerk of the Court
UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK
Daniel P. Moynihan U.S. Courthouse
500 Pearl Street
New York, NY 10007

Lead Counsel for Plaintiffs:

Mitchell M.Z. Twersky
Lawrence D. Levit
ABRAHAM, FRUCHTER & TWERSKY, LLP
One Penn Plaza, Suite 2805
New York, NY 10119

Defendant's Counsel Designee:

Stephen J. Tully
Garrett & Tully, P.C.
4615 E. Thousand Oaks Blvd., Suite 201
Westlake Village , CA 91362
805-446-4141

PLEASE DO NOT CONTACT THE COURT OR THE CLERK'S OFFICE REGARDING THIS NOTICE. If you have any questions about the Settlement, you may contact Lead Counsel at the address listed above or go to the following website: www.fuqiclasssettlement.com.

DATED: July 12, 2017

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

**IN THE UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK**

-----X
PUERTO RICO GOVERNMENT JUDICIARY :
EMPLOYEES RETIREMENT SYSTEM :
ADMINISTRATION, CRAIG B. LAUB, J.D. :
PISUT and SANDRA REDFERN, : 15 Civ. 01938 (DAB)
 :
Plaintiffs, :
 :
-against- :
 :
 :
MARCUM, LLP, as successor to STONEFIELD :
JOSEPHSON, INC., :
 :
Defendant. :
-----X

FINAL JUDGMENT AND ORDER OF DISMISSAL WITH PREJUDICE

EXHIBIT B

This matter came before the Court for hearing pursuant to the Order Preliminarily Approving Settlement and Providing for Notice of Proposed Settlement (the “Preliminary Approval Order”) of this Court, dated May 30, 2017, on the application of the Parties for approval of the Settlement set forth in the Stipulation of Settlement dated as of October 6, 2016 (the “Settlement Agreement”), approval of the Plan of Allocation, and the application of Lead Counsel for an award of attorneys’ fees and expenses and awards to the Lead Plaintiffs in the Action. Due and adequate notice having been given of the Settlement as required in said Preliminary Approval 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 Judgment incorporates by reference the definitions in the Settlement Agreement, and all terms used herein shall have the same meanings set forth in the Settlement Agreement.

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 who did not timely file a request for exclusion from the Class by the December 18, 2017 deadline pursuant to the Court’s Preliminary Approval Order dated May 30, 2017.

3. For purposes of this Settlement, the Court hereby certifies this action as a class action and finds 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 Class Members is so numerous that joinder of all members thereof is impracticable; (b) there are questions of law and fact common to the Class; (c) the claims of the Court appointed Lead Plaintiffs are typical of the claims of the Class; (d) the Lead Plaintiffs and their counsel have and will continue to fairly

and adequately represent and protect the interests of the Class; (e) the questions of law and fact common to the members of the Class predominate over any questions affecting only individual members of the Class; and (f) a class action is superior to other available methods for the fair and efficient adjudication of the controversy. Pursuant to Rule 23 of the Federal Rules of Civil Procedure, this Court hereby finally certifies this action as a class action on behalf of all persons or entities who purchased or otherwise acquired Fuqi common stock between May 15, 2009, and March 27, 2011, inclusive, and were purportedly damaged thereby, and additionally certifies a Subclass consisting of all those who purchased or otherwise acquired Fuqi common stock pursuant to or traceable to the Secondary Offering on or about July 22, 2009. Excluded from the Class and Subclass are Defendant, its agents, representatives, predecessors, successors, subsidiaries, affiliated entities, partners, limited liability partners or members, shareholders, directors, officers, at all relevant times, members of the immediate families of the partners, limited liability partners or members, shareholders, directors, officers of Defendant, any entity in which any Defendant has or had a legal controlling interest, and the legal representatives, heirs, successors, or assigns of Defendant. Also excluded from the Class and Subclass are Fuqi, Yu Kwai Chong, Ching Wan Wong, Lie Xi Zhuang, Lily Lee Chen, Eileen B. Brody, Victor A. Hollander, Jeff Haiyong Liu, William Blair & Co., Oppenheimer & Co. Inc., and Cowen and Company (collectively, the “Fuqi Defendants”), the officers and directors of Fuqi, at all relevant times, members of their immediate families, any entity in which any Fuqi Defendant has or had a legal controlling interest, and the legal representatives, heirs, successors, or assigns of any Fuqi Defendant. In addition, excluded from the Class and Subclass are persons and entities who submitted valid and timely requests for exclusion in accordance with the Notice, who are listed on Schedule 1 hereto.

4. The distribution of the Notice and the publication of the Summary Notice, as provided for in the Preliminary Approval Order, constituted the best notice practicable under the circumstances, including individual notice to all Members of the Class who could be identified through reasonable effort. Said notices provided the best notice practicable under the circumstances of those proceedings and of the matters set forth therein, including the proposed Settlement set forth in the Settlement Agreement, to all Persons entitled to such notices, and said notices fully satisfied the requirements of Federal Rule of Civil Procedure 23, Section 21D(a)(7) of the Securities and Exchange Act of 1934, 15 U.S.C. §78u-4(a)(7) as amended by the Private Securities Litigation Reform Act of 1995, the requirements of Due Process, and any other applicable law.

5. Pursuant to Rule 23 of the Federal Rules of Civil Procedure, this Court hereby approves the Settlement set forth in the Settlement Agreement and finds that said Settlement is, in all respects, fair, reasonable and adequate to, and is in the best interests of, the Lead Plaintiffs, the Class and each of the Class Members. This Court further finds that there was no collusion, that the Settlement set forth in the Settlement Agreement is the result of arm's-length negotiations between experienced, competent counsel representing the interests of the Plaintiffs, Class Members and Defendant, and that the record is sufficiently developed and complete to have enabled the Lead Plaintiffs and the Defendant to have adequately evaluated and considered their positions. Accordingly, the Settlement embodied in the Settlement Agreement is hereby approved in all respects and shall be consummated in accordance with its terms and provisions. The Parties are hereby directed to perform the terms of the Settlement Agreement.

6. Except as to any individual claim of those Persons (identified in Exhibit 1 attached hereto), who timely and validly requested exclusion from the Class before the

December 18, 2017 deadline, the Action and all claims contained therein, including all of the Released Claims, are dismissed with prejudice as to the Plaintiffs and the other Members of the Class, and as against each and all of the Released Persons. The Parties are to bear their own costs, except as otherwise provided in the Settlement Agreement.

7. Upon the Effective Date, the Plaintiffs and each of the Class Members (other than those Persons or entities listed on Schedule 1 who have timely and validly requested exclusion from the Class) shall be deemed to have, and by operation of the Judgment shall have, fully, finally, and forever released, relinquished and discharged all Released Claims against the Released Persons, whether or not such Class Member executes and delivers a Proof of Claim and Release form or shares in the Settlement Fund.

8. Upon the Effective Date hereof, each of the Released Persons shall be deemed to have, and by operation of this Judgment shall have, fully, finally, and forever released, relinquished and discharged the Plaintiffs, each and all of the Class Members and Lead Counsel and additional Plaintiffs' counsel from all claims (including Unknown Claims), arising out of, relating to, or in connection with the institution, prosecution, assertion, settlement or resolution of the Action or the Released Claims.

9. Any further orders or proceedings solely regarding the Plan of Allocation shall in no way disturb or affect this Judgment, shall be separate and apart from this Judgment and shall not affect or delay the Effective Date of the Settlement.

10. Neither the Settlement Agreement nor the Settlement contained therein, nor any act performed or document executed pursuant to or in furtherance of the Settlement Agreement or the Settlement: (a) is or may be deemed to be or may be used as an admission of, or evidence of, the validity of any Released Claim, or of any wrongdoing or liability of the Defendant; or (b)

is or may be deemed to be or may be used as an admission of, or evidence of, any fault or omission of any of the Released Persons in any civil, criminal or administrative proceeding in any court, administrative agency or other tribunal. The Released Persons may file the Settlement Agreement and/or the Judgment in any other action that may be brought against them in order to support a defense or counterclaim based on principles of *res judicata*, collateral estoppel, release, good faith settlement, judgment bar or reduction or any other theory of claim preclusion or issue preclusion or similar defense or counterclaim.

11. Without affecting the finality of this Judgment in any way, this Court hereby retains continuing jurisdiction over: (a) implementation of this Settlement and any award or distribution of the Settlement Fund, including interest earned thereon; (b) disposition of the Settlement Fund; (c) hearing and determining applications for attorneys' fees and expenses in the Action; and (d) all Parties hereto for the purpose of construing, enforcing and administering the Settlement Agreement.

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

13. In the event that the Settlement does not become effective in accordance with the terms of the Settlement Agreement or the Effective Date does not occur, or in the event that the Settlement Fund, or any portion thereof, is returned to the Defendant or its Insurers, then this Judgment shall be rendered null and void to the extent provided by, and in accordance with, the Settlement Agreement 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 Settlement Agreement.

14. The Court hereby **GRANTS** Lead Counsel attorneys' fees of _____% of the Settlement Fund and expenses in an amount of \$_____. Said fees shall be allocated among Lead Counsel in a manner which, in their good-faith judgment, reflects each counsel's contribution to the institution, prosecution and resolution of the Action. The Court finds that the amount of fees awarded is fair and reasonable in light of the time and labor required, the novelty and difficulty of the case, the skill required to prosecute the case, the experience and ability of the attorneys, awards in similar cases, the contingent nature of the representation and the result obtained for the Class.

15. The awarded attorneys' fees and expenses shall be paid to Lead Counsel from the Settlement Fund immediately after the date this Order is executed subject to the terms, conditions, and obligations of the Settlement Agreement and in particular ¶6.2 thereof, which terms, conditions, and obligations are incorporated herein.

16. The Court **GRANTS** Lead Plaintiffs Puerto Rico Government Employees and Judiciary Retirement Systems Administration the amount of \$_____, and Craig B. Laub, J.D. Pisut, and Sandra Redfern the amount of \$_____ each for their efforts on behalf of the Class, and as reimbursement for expenses incurred.

IT IS SO ORDERED.

DATED: _____

The Honorable Deborah A. Batts
United States District Judge

EXHIBIT 1

**List of Persons and Entities Excluded from the Class in
*Puerto Rico Government Judiciary Employees Retirement System
Administration v. Marcum, LLP*
Civil Action No. 15 Civ. 019385 (DAB)**

The following persons and entities, and only the following persons and entities, properly excluded themselves from the Class by the _____, 2016 deadline pursuant to the Court's Order dated _____, 2016:

IN RESPONSE TO THE NOTICE OF PROPOSED SETTLEMENT OF CLASS ACTION, MOTION FOR ATTORNEYS' FEES AND SETTLEMENT FAIRNESS HEARING	