

UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY

Grodko v. Central European Distribution Corp, et al.) No. 1:12-cv-05530-JBS-KMW
)
Puerto Rico System of Annuities and Pensions for) No. 1:12-cv-05531-JBS-KMW
Teachers v. Central European Distribution Corp, et al.)
) **CLASS ACTION**
)
)

NOTICE OF PENDENCY AND PROPOSED SETTLEMENT OF CLASS ACTION

TO: ALL PERSONS WHO PURCHASED THE COMMON STOCK OF CENTRAL EUROPEAN DISTRIBUTION CORP. (“CEDC” OR THE “COMPANY”) BETWEEN MARCH 1, 2010 AND NOVEMBER 13, 2012, INCLUSIVE (THE “CLASS PERIOD”)

PLEASE READ THIS NOTICE CAREFULLY AND IN ITS ENTIRETY. YOUR RIGHTS MAY BE AFFECTED BY PROCEEDINGS IN THIS ACTION. PLEASE NOTE THAT IF YOU ARE A CLASS MEMBER, YOU MAY BE ENTITLED TO SHARE IN THE PROCEEDS OF THE SETTLEMENT DESCRIBED IN THIS NOTICE. TO CLAIM YOUR SHARE OF THIS FUND, YOU MUST SUBMIT A VALID PROOF OF CLAIM FORM POSTMARKED ON OR BEFORE DECEMBER 15, 2014.

This Notice has been sent to you pursuant to Rule 23 of the Federal Rules of Civil Procedure and an Order of the United States District Court for the District of New Jersey (the “Court”) and concerns a proposed settlement (the “Settlement”) in *Grodko v. Central European Distribution Corp, et al.*, No. 1:12-cv-05530-JBS-KMW; *Puerto Rico System of Annuities and Pensions for Teachers v. Central European Distribution Corp, et al.*, No. 1:12-cv-05531-JBS-KMW (the “Action”). The purpose of this Notice is to inform you of the proposed Settlement of the Action and of the hearing to be held by the Court to consider the fairness, reasonableness, and adequacy of the Settlement. The Settlement resolves the claims asserted against all Defendants. 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 Action.

A hearing (the “Settlement Hearing”) will be held on November 14, 2014, at 10:00 a.m., before the Honorable Jerome B. Simandle, Chief United States District Judge, at the Mitchell H. Cohen Building & United States Courthouse, Courtroom 4A, 400 Cooper Street, Camden, NJ 08101. At this time, the Court will consider the Settlement in the Action. The purpose of the Settlement Hearing will be to determine: (1) whether the Settlement consisting of Ten Million Dollars (\$10,000,000.00) in cash plus accrued interest on the Settlement Fund should be approved as fair, reasonable, and adequate to the Class; (2) whether the proposed plan to distribute the Settlement proceeds (the “Plan of Distribution”) is fair, reasonable, and adequate; (3) whether the application by Lead Counsel for an award of attorneys’ fees and expenses should be approved; and (4) whether the Action should be dismissed with prejudice.

The Court may adjourn or continue the Settlement Hearing without further notice to the Class.

I. THE SETTLEMENT

The proposed Settlement creates a fund in the amount of Ten Million Dollars (\$10,000,000.00) (the “Settlement Amount”) in cash and will include interest that accrues on the fund prior to distribution. Based on the information currently available to Lead Plaintiff and the analysis performed by its damages consultant, it is estimated that if Class Members submit claims for 100% of the shares eligible for distribution, the estimated average distribution per share will be approximately \$0.16 before deduction of Court-approved fees and expenses. Historically, actual claims rates are less than 100%, which result in higher distributions per share. Your actual recovery from this fund will depend on a number of variables,

including the number of claimants, the number of CEDC shares you and they purchased, the number of CEDC shares you and they sold, the timing of your purchases and sales, if any, the cost of sending this Notice and administering the distribution of the settlement proceeds, and Court-awarded expenses, such as attorneys' fees and expenses (see the Plan of Distribution below for a more detailed description of how the settlement proceeds will be allocated among Class Members).

The Individual Defendants have denied and continue to deny specifically each and all of the claims and contentions alleged in the Action. The issues on which the parties disagree include: (1) whether the statements made or facts allegedly omitted were false, material, or otherwise actionable under the federal securities laws; (2) the extent to which the various matters that Lead Plaintiff alleged were materially false or misleading influenced (if at all) the trading price of CEDC shares at various times during the Class Period; (3) the extent to which the various allegedly adverse material facts that Lead Plaintiff alleged were omitted influenced (if at all) the trading price of CEDC shares at various times during the Class Period; (4) the extent to which external factors, such as general market conditions, influenced the trading prices of CEDC shares at various times during the Class Period; (5) the effect of various market forces influencing the trading price of CEDC shares at various times during the Class Period; (6) the amount by which CEDC shares were allegedly artificially inflated (if at all) during the Class Period; and (7) the appropriate economic model for determining the amount by which CEDC shares were allegedly artificially inflated (if at all) during the Class Period. Lead Plaintiff and the Individual Defendants do not agree on the average amount of damages per share that would be recoverable if Lead Plaintiff had prevailed on each claim asserted. The Individual Defendants deny that they have violated the federal securities laws or any laws.

Lead Plaintiff believes that the proposed Settlement is a very good recovery and is in the best interests of the Class. There were significant risks associated with the Individual Defendants' pending motion to dismiss and proceeding to summary judgment and trial, and if the Individual Defendants prevailed at any of those stages, the Class would receive nothing. In addition, the amount of damages recoverable by the Class was and is challenged by the Individual Defendants. Recoverable damages in this case are limited to losses caused by conduct actionable under applicable law and, had the Action gone to trial, the Individual Defendants intended to assert that all of the losses of Class Members were caused by non-actionable market, industry, or general economic factors. The Individual Defendants would also assert that throughout the Class Period, the uncertainties and risks associated with CEDC's business and financial condition were fully and adequately disclosed.

Lead Counsel have not received any payment for their services in conducting this Action on behalf of Lead Plaintiff and the members of the Class, nor have they been paid for their expenses. If the Settlement is approved by the Court, Lead Counsel will apply to the Court for attorneys' fees of up to 30% of the settlement proceeds plus expenses not to exceed \$200,000, plus interest on both amounts, all to be paid from the Settlement Fund. If the amount requested by counsel is approved by the Court, the average cost per share would be approximately \$0.05.

This Notice is not an expression of any opinion by the Court about the merits of any of the claims or defenses asserted by any party in this Action or the fairness or adequacy of the proposed Settlement.

For further information regarding this Settlement you may contact: Rick Nelson, c/o Shareholder Relations, Robbins Geller Rudman & Dowd LLP, 655 West Broadway, Suite 1900, San Diego, CA 92101, Telephone: 800/449-4900. Please do not call any representative of the Defendants or the Court.

A. Definitions Used in This Notice

1. "Authorized Claimant" means any member of the Class who submits a timely and valid Proof of Claim form and whose claim for recovery has been allowed pursuant to the terms of the Settlement Agreement (the "Stipulation" or the "Settlement Agreement").

2. "Class" means all Persons who purchased CEDC common stock between March 1, 2010 and November 13, 2012, inclusive, who were damaged thereby. Excluded from the Class are:

(a) Persons or entities who submit valid and timely requests for exclusion from the Class in accordance with the requirements set forth in the Stipulation and in the Notice; and

(b) Defendants, members of the immediate family of any Defendant, any person, firm, trust, corporation, officer, director or other individual or entity in which any Defendant has or had a controlling interest during the Class Period, the officers and directors of the Company during the Class Period, and legal representatives, agents, executors, heirs, successors or assigns of any such excluded Person.

3. "Class Member" means a Person who falls within the definition of the Class as set forth in ¶12 above.

4. "Class Period" means the period March 1, 2010 through November 13, 2012, inclusive.

5. "Defendants" means the Individual Defendants and CEDC.

6. "Effective Date" means the date upon which the Settlement becomes effective, which is the first date by which all of the events and conditions specified in ¶8.3 of the Stipulation have been met and have occurred.

7. "Final," with respect to the Judgment approving the Settlement in the form of Exhibit B attached to the Stipulation, means when the last of the following shall occur: (i) the expiration of the time to file a motion to alter or amend the Judgment under Federal Rule of Civil Procedure 59(e) has passed without any such motion having been filed; (ii) the expiration of the time in which to appeal the Judgment has passed without any appeal having been taken; and (iii) if a motion to alter or amend is filed or if an appeal is taken, the determination of that motion or appeal in such a manner as to permit the consummation of the Settlement, in accordance with the terms and conditions of the Stipulation. For purposes of this paragraph, an "appeal" shall include any petition for a writ of certiorari or other writ that may be filed in connection with approval or disapproval of the Settlement, but shall not include any appeal which concerns only the issue of attorneys' fees and expenses or any Plan of Distribution of the Settlement Fund.

8. "Individual Defendants" means William V. Carey and Christopher Biedermann.

9. "Judgment" means the proposed judgment and order of dismissal with prejudice to be rendered by the Court upon approval of the Settlement that will (i) finally approve the Settlement and (ii) dismiss the Action with prejudice.

10. "Lead Counsel" means Robbins Geller Rudman & Dowd LLP, 58 South Service Road, Suite 200, Melville, NY 11747.

11. "Lead Plaintiff" means Puerto Rico System of Annuities and Pensions for Teachers.

12. "Net Settlement Fund" means the portion of the Settlement Fund that shall be distributed to Authorized Claimants as allowed by the Court.

13. "Person" means an individual, corporation, partnership, limited partnership, association, joint stock company, limited liability company, professional corporation, estate, legal representative, trust, unincorporated association, government or any political subdivision or agency thereof, and any business or legal entity and his, her or its spouses, heirs, predecessors, executors, successors, representatives, or assignees.

14. "Plaintiffs" means Lead Plaintiff and each and every Class Member, regardless of whether that person actually submits a Proof of Claim, seeks or obtains a distribution from the Net Settlement Fund, or is entitled to receive a distribution under the Plan of Distribution; and any other Person who has the right, ability, standing, or capacity to assert, prosecute, or maintain on behalf of any Class Member any of the Released Claims (or to obtain the proceeds of any recovery therefrom), whether in whole or in part.

15. "Plaintiffs' Counsel" means any counsel who filed a complaint in the Action or any action that has been consolidated with the Action.

16. "Plan of Distribution" means a plan or formula of allocation of the Net Settlement Fund whereby the Settlement Fund shall be distributed to Authorized Claimants subject to the approval of the Court.

17. "Released Claims" means any and all claims, rights, issues, controversies, causes of action, duties, obligations, demands, action, debts, sums of money, suits, contracts, agreements, promises, damages, and liabilities of every kind, nature, and description, whether known or unknown (including, but not limited to, "Unknown Claims"), whether arising under federal, state, or foreign law, or statutory, common, or administrative law, or any other law, rule, or regulation, whether asserted as claims, cross-claims, counterclaims, third-party claims, whether fixed or contingent, choate or inchoate, accrued or not accrued, matured or unmatured, liquidated or unliquidated, perfected or unperfected, whether brought directly, derivatively, or in any other capacity, whether brought class-wide or individual in nature, that previously existed, currently exist, or that exist as of the date of the Court's approval of the Settlement, or that may arise in the future, that Lead Plaintiff or any other Class Member: (i) asserted in the Action; or (ii) could have asserted in the Action or any other action in any other forum including, without limitation, any federal or state court, or in any other court, arbitration, administrative agency, or other forum in the United States or elsewhere, that in any way arise out of, are based upon, relate to, or are in connection with the claims, allegations, transactions, facts, events, acts, disclosures, statements, representations, or omissions or failures to act alleged, set forth, referred to, involved in, or which could have been raised in the Action or in any of the complaints filed in the Action, and the purchase or acquisition of CEDC common stock during the Class Period. For the avoidance of doubt, Released Claims do not include claims to enforce the Settlement or claims alleged in *In re Central European Distribution Corp. Securities Litigation*, No.11-cv-06247-JBS-KMW, pending in the United States District Court for the District of New Jersey, nor shall this provision impede the right of any Class Member to participate in any recovery in that action.

18. "Released Persons" means CEDC, the Individual Defendants and all other current and former officers, directors and employees of CEDC and its subsidiaries, any Person in which any of the Defendants has a controlling interest, any trust of which any of the Defendants is the settlor or which is for the benefit of any of the Defendants' immediate family members, and the respective estates, heirs, beneficiaries, predecessors, successors, assigns, spouses and immediate family members, agents, attorneys, insurers, reinsurers, fiduciaries, auditors and contractors of the foregoing, and each of them.

19. "Settlement Fund" means the Settlement Amount to be paid into the Escrow Account pursuant to ¶3.1 of the Stipulation, together with all interest and income earned thereon after payment of the Settlement Fund into the Escrow Account.

20. "Settling Parties" means, collectively, the Individual Defendants and Lead Plaintiff on behalf of itself and the Class Members.

21. "Unknown Claims" means Released Claims that Lead Plaintiff or any Class Members do not know or suspect, or should have known or suspected, 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(s) with respect to this Settlement, including the decision to exclude himself, herself, or itself from the Class, or to object or not to object to any aspect of the Settlement. With respect to any and all Released Claims, the Settling Parties stipulate and agree that, upon the Effective Date, Lead Plaintiff shall expressly and each of the Class Members shall be deemed to have, and by operation of the Judgment shall have, expressly waived to the fullest extent permitted by law 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.

Lead Plaintiff shall expressly 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, which is similar, comparable, or equivalent to California Civil Code §1542. Lead Plaintiff and Class Members acknowledge that they may hereafter discover facts, legal theories, or authorities 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 Lead Plaintiff intends to and 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 or coming into existence in the future, including, but not limited to, conduct that is negligent, reckless, intentional, with or without malice, or a breach of any duty, law, or rule, without regard to the subsequent discovery or existence of such different or additional facts, legal theories, or authorities. Lead Plaintiff acknowledges, and the Class Members shall be deemed by operation of the Judgment to have acknowledged, that the inclusion of “Unknown Claims” in the definition of Released Claims was separately bargained for and a material element of the Settlement of which this release is a part.

B. History of the Action

On June 8, 2012, Jeffrey Grodco filed a class action complaint against the Individual Defendants and Central European Distribution Corp. in the United States District Court for the Southern District of New York, alleging violations of the federal securities laws. On August 7, 2012, the Puerto Rico System of Annuities and Pensions for Teachers (“PR Teachers”) filed a class action complaint in the same court asserting similar claims. On September 4, 2012, by agreement of the parties, both actions were transferred to the District of New Jersey where, on November 8, 2012, the Court consolidated the two cases. On December 17, 2012, the Court appointed PR Teachers as Lead Plaintiff and Robbins Geller Rudman & Dowd LLP as Lead Counsel. On February 15, 2013, Lead Plaintiff filed an amended complaint (the “Amended Complaint”) against the Individual Defendants and the Company. On April 7, 2013, CEDC filed a voluntary petition for relief under Chapter 11 of Title 11 of the United States Code in the United States Bankruptcy Court for the District of Delaware. As a result, the Action was stayed as to CEDC but continued against the Individual Defendants. The Amended Complaint asserts claims under §§10(b) and 20(a) of the Securities Exchange Act of 1934 (15 U.S.C. §§78j(b), 78t(a) and 78t(b)) and Rule 10b-5 promulgated thereunder (17 C.F.R. §240.10b-5).

On April 17, 2013, the Individual Defendants moved to dismiss the Amended Complaint. Lead Plaintiff opposed the motion.

On October 14, 2013, the Settling Parties attended a mediation session with the Honorable Daniel Weinstein (Ret.), and although no agreement was reached, the parties continued their negotiations with the assistance of the mediator. As a result of those further discussions led by the mediator, on November 18, 2013, the Settling Parties reached an agreement-in-principle to resolve the Action. The Court terminated the pending motion to dismiss pending execution of formal settlement papers and judicial approval of the Settlement.

C. Claims of Lead Plaintiff and Benefits of Settlement

Lead Plaintiff and Lead Counsel believe that the claims asserted in the Action have merit. However, Lead Plaintiff and Lead Counsel recognize and acknowledge the expense and length of continued proceedings necessary to prosecute the Action against Defendants through trial and appeal. Lead Plaintiff and Lead Counsel also have taken into account the uncertain outcome and the risk of any litigation, especially in complex actions such as this Action, as well as the risks posed by the difficulties and delays inherent in such litigation. Lead Plaintiff and Lead Counsel also are aware of the defenses to the securities law violations asserted in the Action. Lead Plaintiff and Lead Counsel believe that the Settlement set forth in the Settlement Agreement confers substantial benefits upon the Class in light of the circumstances

present here. Based on their evaluation, Lead Plaintiff and Lead Counsel have determined that the Settlement set forth in the Settlement Agreement is in the best interests of Lead Plaintiff and the Class.

D. Defendants' Denial of Wrongdoing and Liability

Defendants have denied and continue to deny that they have violated the federal securities laws or any laws or have otherwise misled investors as alleged in the Action. Defendants have denied and continue to deny specifically each and all of the claims and contentions alleged in the Action, along with all charges of wrongdoing or liability against them arising out of any of the conduct, statements, acts or omissions alleged, or that could have been alleged, in the Action. Defendants also have denied and continue to deny, *inter alia*, the allegations that any of the Defendants made any material misstatements or omissions; that any member of the Class has suffered damages; that the prices of CEDC common stock were artificially inflated by reason of the alleged misrepresentations, omissions, or otherwise; that the members of the Class were harmed by the conduct alleged in the Action; or that Defendants knew about or were reckless with respect to the alleged misconduct. In addition, Defendants maintain that they have meritorious defenses to all claims alleged in the Action.

Nonetheless, taking into account the uncertainty, risks, and costs inherent in any litigation, especially in complex cases such as this Action, the Individual Defendants have concluded that further conduct of the Action could be protracted, burdensome, expensive, and distracting. The Individual Defendants have, therefore, determined that it is desirable and beneficial to them that the Action be settled in the manner and upon the terms and conditions set forth in the Settlement Agreement. The Settlement Agreement shall in no event be construed as or deemed to be evidence of an admission or concession by the Individual Defendants or the Released Persons with respect to any claim of any fault or liability or wrongdoing or damage whatsoever.

E. Terms of the Proposed Settlement

The Defendants shall cause the Insurer to deposit the Settlement Amount (Ten Million Dollars (\$10,000,000.00)) into the Escrow Account within twenty (20) business days from the later of (i) entry of an Order preliminarily approving the Settlement or (ii) receipt by Insurer of appropriate and necessary payee information from Lead Counsel, including, but not limited to, wiring instructions, payment address, and a complete, accurate, and signed W-9 form for the Settlement Fund that reflects a valid taxpayer identification number. The principal amount of Ten Million Dollars (\$10,000,000.00), plus any accrued interest, constitutes the Settlement Fund. A portion of the settlement proceeds will be used for certain administrative expenses, including the costs of printing and mailing this Notice, the cost of publishing a newspaper notice, payment of any taxes assessed against the Settlement Fund, and costs associated with the processing of claims submitted. In addition, as explained below, a portion of the Settlement Fund may be awarded by the Court to Lead Counsel as attorneys' fees and for expenses in litigating the case. The balance of the Settlement Fund (the "Net Settlement Fund") will be distributed according to the Plan of Distribution described below to Class Members who submit valid and timely Proof of Claim forms.

F. Plan of Distribution

Calculation of Recognized Loss for Central European Distributing Corporation Common Stock Purchases

Only Central European Distributing Corporation (CEDC) shares purchased on exchanges in the United States on or between March 1, 2010 and November 12, 2012, and sold at a loss on or after March 1, 2011, are eligible for damages. The total net number of CEDC common shares damaged is estimated to be no greater than 61.6 million shares. Given the total Settlement of \$10.0 million, the average gross recovery per share is estimated to be at least \$0.16 per damaged share. Assuming fees and expenses, the expected average net recovery per share will be at least \$0.11 per damaged share.

For shares purchased on or between March 1, 2010 and November 12, 2012, such shares shall be eligible for damages if sold on or after March 1, 2011, or continued to be held. The following summarizes the method for determining Recognized Loss for damage claims per share:

(a) For each share purchased on or between March 1, 2010 and November 12, 2012, and sold on or after March 1, 2011 and on or before November 12, 2012, the Recognized Loss for each such share shall be ***the lesser of:***

(i) the dollar inflation applicable to each share purchased on the date of purchase (trade date, not Settlement date) as set forth in Table 1 minus the dollar inflation on the date of sale (trade date, not Settlement date) as set forth in Table 1, or

(ii) the actual purchase price of each such share (excluding all fees and commissions) minus the actual sale price (excluding all fees and commissions).

(b) For each share purchased on or between March 1, 2010 and November 12, 2012, and sold on or after November 13, 2012, and on or before February 8, 2013, the Recognized Loss for each such share shall be ***the lesser of:***

(i) the dollar inflation applicable to each share purchased on the date of purchase (trade date, not Settlement date) as set forth in Table 1, or

(ii) the actual purchase price of each such share (excluding all fees and commissions) minus the actual sale price (excluding all fees and commissions), or

(iii) the actual purchase price of each such share (excluding all fees and commissions) minus the 90-day look back price as set forth in Table 2 on the date of sale.

(c) For each share purchased on or between March 1, 2010 and November 12, 2012, and sold or held after February 8, 2013, the Recognized Loss for each such share shall be ***the lesser of:***

(i) the dollar inflation applicable to each share purchased on the date of purchase (trade date, not Settlement date) as set forth in Table 1, or

(ii) the actual purchase price of each such share (excluding all fees and commissions) minus the 90-day look back price of \$1.87 per share.

For all purposes the transaction date and not the Settlement date shall be used as the date for determining inflation per share, eligibility to file a claim and the calculation of Recognized Losses. All purchases and sales of CEDC common shares shall be accounted for and matched using the first-in-first-out (FIFO) method of accounting.

The total of all profits shall be subtracted from the total of all losses from transactions involving CEDC common shares purchased or acquired during the Class Period to determine if a Class Member has a claim. Only if a Class Member had a net loss from the CEDC common shares purchased or acquired during the Class Period, will such Class Member be eligible to receive a distribution from the Net Settlement Fund. No distributions will be made to Authorized Claimants who would otherwise receive a distribution of less than \$10.00.

For Class Members who held CEDC common shares at the beginning of the Class Period or made multiple purchases or sales during the Class Period, the first-in, first-out ("FIFO") method will be applied to such holdings, purchases, and sales for purposes of calculating a claim. Under the FIFO method, sales of CEDC common shares during the Class Period will be matched in chronological order, first against common shares held at the beginning of the Class Period. The remaining sales of CEDC common shares during the Class Period will then be matched, in chronological order, against CEDC common shares purchased during the Class Period.

Table 1: Inflation per Share Table

Period	Begin Date	End Date	Inflation per Share
1	1-Mar-10	5-Aug-10	\$2.07
2	6-Aug-10	4-Nov-10	\$2.96
3	5-Nov-10	28-Feb-11	\$3.95
4	1-Mar-11	3-Aug-11	\$3.49
5	4-Aug-11	28-Aug-11	\$2.70
6	29-Aug-11	30-Oct-11	\$3.53
7	31-Oct-11	31-Oct-11	\$3.28
8	1-Nov-11	1-Nov-11	\$2.99
9	2-Nov-11	2-Nov-11	\$3.06
10	3-Nov-11	3-Nov-11	\$3.06
11	4-Nov-11	6-Nov-11	\$1.64
12	7-Nov-11	7-Nov-11	\$1.73
13	8-Nov-11	8-Nov-11	\$1.74
14	9-Nov-11	9-Nov-11	\$1.57
15	10-Nov-11	10-Nov-11	\$1.49
16	11-Nov-11	13-Nov-11	\$1.55
17	14-Nov-11	14-Nov-11	\$1.53
18	15-Nov-11	15-Nov-11	\$1.56
19	16-Nov-11	16-Nov-11	\$1.94
20	17-Nov-11	17-Nov-11	\$1.95
21	18-Nov-11	20-Nov-11	\$1.57
22	21-Nov-11	21-Nov-11	\$1.72
23	22-Nov-11	22-Nov-11	\$1.64
24	23-Nov-11	23-Nov-11	\$1.55
25	24-Nov-11	24-Nov-11	\$1.51
26	25-Nov-11	27-Nov-11	\$1.56
27	28-Nov-11	28-Nov-11	\$1.73
28	29-Nov-11	29-Nov-11	\$2.24
29	30-Nov-11	30-Nov-11	\$2.34
30	1-Dec-11	1-Dec-11	\$2.42
31	2-Dec-11	12-Dec-11	\$2.52
32	13-Dec-11	13-Dec-11	\$2.43
33	14-Dec-11	14-Dec-11	\$2.36
34	15-Dec-11	15-Dec-11	\$2.52
35	16-Dec-11	18-Dec-11	\$2.44
36	19-Dec-11	19-Dec-11	\$2.28

Period	Begin Date	End Date	Inflation per Share
37	20-Dec-11	20-Dec-11	\$2.42
38	21-Dec-11	21-Dec-11	\$2.26
39	22-Dec-11	22-Dec-11	\$2.32
40	23-Dec-11	27-Dec-11	\$2.33
41	28-Dec-11	28-Dec-11	\$2.16
42	29-Dec-11	29-Dec-11	\$2.25
43	30-Dec-11	1-Jan-12	\$2.23
44	2-Jan-12	2-Jan-12	\$2.24
45	3-Jan-12	3-Jan-12	\$2.27
46	4-Jan-12	4-Jan-12	\$2.11
47	5-Jan-12	5-Jan-12	\$2.07
48	6-Jan-12	8-Jan-12	\$2.06
49	9-Jan-12	9-Jan-12	\$2.05
50	10-Jan-12	10-Jan-12	\$2.18
51	11-Jan-12	11-Jan-12	\$2.34
52	12-Jan-12	12-Jan-12	\$2.21
53	13-Jan-12	15-Jan-12	\$2.14
54	16-Jan-12	16-Jan-12	\$2.17
55	17-Jan-12	17-Jan-12	\$1.94
56	18-Jan-12	18-Jan-12	\$2.04
57	19-Jan-12	19-Jan-12	\$2.00
58	20-Jan-12	22-Jan-12	\$1.94
59	23-Jan-12	23-Jan-12	\$1.90
60	24-Jan-12	24-Jan-12	\$1.95
61	25-Jan-12	25-Jan-12	\$2.00
62	26-Jan-12	26-Jan-12	\$2.02
63	27-Jan-12	29-Jan-12	\$2.02
64	30-Jan-12	30-Jan-12	\$2.00
65	31-Jan-12	31-Jan-12	\$2.09
66	1-Feb-12	1-Feb-12	\$2.27
67	2-Feb-12	28-Feb-12	\$2.52
68	29-Feb-12	1-Mar-12	\$1.48
69	2-Mar-12	3-Jun-12	\$1.21
70	4-Jun-12	4-Jun-12	\$0.88
71	5-Jun-12	1-Aug-12	\$0.67
72	2-Aug-12	12-Nov-12	\$0.33
73	13-Nov-12	Thereafter	\$ -

Table 2: Closing Price and 90-Day Look Back Prices

Date	CEDC Closing Price	CEDC 90-Day Look Back Price	Date	CEDC Closing Price	CEDC 90-Day Look Back Price
13-Nov-12	\$1.61	\$1.61	27-Dec-12	\$2.19	\$1.82
14-Nov-12	\$1.61	\$1.61	28-Dec-12	\$2.07	\$1.83
15-Nov-12	\$1.70	\$1.64	31-Dec-12	\$2.17	\$1.84
16-Nov-12	\$1.66	\$1.65	2-Jan-13	\$2.27	\$1.85
19-Nov-12	\$1.86	\$1.69	3-Jan-13	\$2.35	\$1.86
20-Nov-12	\$1.85	\$1.72	4-Jan-13	\$2.39	\$1.88
21-Nov-12	\$1.84	\$1.73	7-Jan-13	\$2.21	\$1.88
22-Nov-12	\$1.82	\$1.74	8-Jan-13	\$2.01	\$1.89
23-Nov-12	\$1.89	\$1.76	9-Jan-13	\$1.86	\$1.89
26-Nov-12	\$1.87	\$1.77	10-Jan-13	\$1.98	\$1.89
27-Nov-12	\$1.90	\$1.78	11-Jan-13	\$2.01	\$1.89
28-Nov-12	\$1.79	\$1.78	14-Jan-13	\$1.87	\$1.89
29-Nov-12	\$1.78	\$1.78	15-Jan-13	\$1.88	\$1.89
30-Nov-12	\$1.69	\$1.78	16-Jan-13	\$1.84	\$1.89
3-Dec-12	\$1.76	\$1.77	17-Jan-13	\$1.77	\$1.89
4-Dec-12	\$1.76	\$1.77	18-Jan-13	\$1.75	\$1.88
5-Dec-12	\$1.74	\$1.77	21-Jan-13	\$1.80	\$1.88
6-Dec-12	\$1.77	\$1.77	22-Jan-13	\$1.97	\$1.89
7-Dec-12	\$1.74	\$1.77	23-Jan-13	\$1.92	\$1.89
10-Dec-12	\$1.70	\$1.77	24-Jan-13	\$1.94	\$1.89
11-Dec-12	\$1.70	\$1.76	25-Jan-13	\$1.90	\$1.89
12-Dec-12	\$1.69	\$1.76	28-Jan-13	\$1.88	\$1.89
13-Dec-12	\$1.63	\$1.75	29-Jan-13	\$1.80	\$1.89
14-Dec-12	\$1.47	\$1.74	30-Jan-13	\$1.78	\$1.88
17-Dec-12	\$1.64	\$1.74	31-Jan-13	\$2.14	\$1.89
18-Dec-12	\$1.68	\$1.74	1-Feb-13	\$1.87	\$1.89
19-Dec-12	\$1.93	\$1.74	4-Feb-13	\$1.86	\$1.89
20-Dec-12	\$2.08	\$1.76	5-Feb-13	\$1.77	\$1.89
21-Dec-12	\$2.20	\$1.77	6-Feb-13	\$1.74	\$1.88
24-Dec-12	\$2.37	\$1.79	7-Feb-13	\$1.59	\$1.88
26-Dec-12	\$2.25	\$1.81	8-Feb-13	\$1.58	\$1.87

II. PARTICIPATION IN THE CLASS

If you fall within the definition of the Class, you are a Class Member unless you elect to be excluded from the Class pursuant to this Notice. If you do not request to be excluded from the Class, you will be bound by any judgment entered with respect to the Settlement in the litigation against Defendants whether or not you file a Proof of Claim form.

If you are a Class Member, you need do nothing (other than timely file a Proof of Claim form if you wish to participate in the distribution of the Net Settlement Fund). Your interests will be represented by Lead Counsel. If you choose, you may enter an appearance individually or through your own counsel at your own expense.

TO PARTICIPATE IN THE DISTRIBUTION OF THE NET SETTLEMENT FUND, YOU MUST TIMELY COMPLETE AND RETURN THE PROOF OF CLAIM FORM THAT ACCOMPANIES THIS NOTICE. The Proof of Claim form must be postmarked on or before December 15, 2014, and be delivered to the Claims Administrator at the address below. Unless the Court orders otherwise, if you do not timely submit a valid

Proof of Claim form, you will be barred from receiving any payments from the Net Settlement Fund, but will in all other respects be bound by the provisions of the Settlement Agreement and the final Judgment.

III. EXCLUSION FROM THE CLASS

You may request to be excluded from the Class. To do so, you must mail a written request stating that you wish to be excluded from the Class to:

CEDC Securities Litigation
EXCLUSIONS
Claims Administrator
c/o Gilardi & Co. LLC
P.O. Box 990
Corte Madera, CA 94976-0990

The request for exclusion must state: (1) your name, address, and telephone number; and (2) all purchases and sales of CEDC shares made during the Class Period, including the dates and prices of each purchase or sale, and the number of shares purchased or sold. YOUR EXCLUSION REQUEST MUST BE POSTMARKED ON OR BEFORE OCTOBER 20, 2014. If you submit a valid and timely request for exclusion, you 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 Agreement or the Judgment.

IV. DISMISSAL AND RELEASES

If the proposed Settlement is approved, the Court will enter a final Judgment. The Judgment will dismiss the Released Claims with prejudice as to all Defendants as provided in the Settlement Agreement.

The Judgment will provide that all Class Members who have not validly and timely requested to be excluded from the Class shall be deemed to have released and forever discharged all Released Claims (to the extent members of the Class have such claims) against all Released Persons as provided in the Settlement Agreement.

V. APPLICATION FOR ATTORNEYS' FEES AND EXPENSES

At the Settlement Hearing, Lead Counsel will request the Court to award attorneys' fees of up to 30% of the Settlement Fund, plus expenses not to exceed \$200,000, plus interest thereon. Class Members are not personally liable for any such fees, expenses, or compensation.

To date, Lead Counsel have not received any payment for their services in conducting this Action on behalf of Lead Plaintiff and the members of the Class, nor have they been paid for their expenses. The fee requested by Lead Counsel would compensate counsel for their efforts in achieving the Settlement Fund for the benefit of the Class, and for their risk in undertaking this representation on a contingency basis. The fee requested is within the range of fees awarded to plaintiffs' counsel under similar circumstances in litigation of this type.

VI. CONDITIONS FOR SETTLEMENT

The Settlement is conditioned upon the occurrence of certain events described in the Settlement Agreement. Those events include, among other things: (1) entry of the Judgment by the Court, as provided for in the Settlement Agreement; and (2) expiration of the time to appeal from or alter or amend the Judgment. Pending the Court's consideration of this Settlement, the Court has stayed all proceedings, and Class Members are precluded from bringing or pursuing any litigation that seeks to prosecute the Released Claims.

If, for any reason, any one of the conditions described in the Settlement Agreement is not met, the Settlement Agreement might be terminated and, if terminated, will become null and void, and the Settling Parties to the Settlement Agreement will be restored to their respective positions as of immediately prior to October 14, 2013.

VII. THE RIGHT TO BE HEARD AT THE SETTLEMENT HEARING

Any Class Member who has not validly and timely requested to be excluded from the Class, and who objects to any aspect of the Settlement, the Plan of Distribution, or the application for attorneys' fees and expenses or Lead Plaintiff's expenses may appear and be heard at the Settlement Hearing.¹ Any such Person must submit and serve a written notice of objection, to be received on or before October 20, 2014, by each of the following:

CLERK OF THE COURT
UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY
Mitchell H. Cohen United States Courthouse
400 Cooper Street
Camden, NJ 08101

Lead Counsel:

ROBBINS GELLER RUDMAN
& DOWD LLP
CODY R. LEJEUNE
655 West Broadway, Suite 1900
San Diego, CA 92101

Individual Defendants' Counsel:

WEIL, GOTSHAL & MANGES LLP
ROBERT F. CARANGELO
767 Fifth Avenue
New York, NY 10153

The notice of objection must demonstrate the objecting Person's membership in the Class, including the number of CEDC shares purchased and sold during the Class Period, and contain a statement of the reasons for objection. Only Class Members who have submitted written notices of objection in this manner will be entitled to be heard at the Settlement Hearing, unless the Court orders otherwise.

VIII. SPECIAL NOTICE TO BANKS, BROKERS AND OTHER NOMINEES

If you hold or held any CEDC shares purchased during the Class Period as nominee for a beneficial owner, then, within ten (10) days after you receive this Notice, you must either: (1) send a copy of this Notice and the Proof of Claim form 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:

CEDC Securities Litigation
Claims Administrator
c/o Gilardi & Co. LLC
P.O. Box 990
Corte Madera, CA 94976-0990

If you choose to mail the Notice and Proof of Claim form 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.

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

¹ Lead Counsel's pleadings in support of these matters will be filed with the Court on or before September 30, 2014.

IX. EXAMINATION OF PAPERS

This Notice is a summary and does not describe all of the details of the Settlement Agreement. For full details of the matters discussed in this Notice, you may review the Settlement Agreement filed with the Court, which may be inspected during business hours, at the office of the Clerk of the Court, United States District Court, District of New Jersey, Mitchell J. Cohen United States Courthouse, 400 Cooper Street, Camden, New Jersey 08101. The motion papers, with exhibits, including the Settlement Agreement, are also available on the Court's ECF website (for a fee). Certain papers relating to the Settlement, including the Settlement Agreement, are also available at the Claims Administrator's website www.cedcsecuritiessettlement.com.

If you have any questions about the Settlement of the Action, you may contact a representative of Lead Counsel: Rick Nelson, c/o Shareholder Relations, Robbins Geller Rudman & Dowd LLP, 655 West Broadway, Suite 1900, San Diego, CA 92101, 1-800-449-4900.

DO NOT TELEPHONE THE COURT REGARDING THIS NOTICE

DATED: July 31, 2014

BY ORDER OF THE COURT
UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY