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UNITED STATES DISTRICT COURT

DISTRICT OF NEW JERSEY

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

This Settlement Agreement dated April ___, 2014 (the “Stipulation” or the “Settlement Agreement”), submitted pursuant to Rule 23 of the Federal Rules of Civil Procedure and Rule 408 of the Federal Rules of Evidence, embodies a settlement (the “Settlement”) made and entered into by and among the following Settling Parties: (i) Puerto Rico System of Annuities and Pensions for Teachers (“Lead Plaintiff” or “PR Teachers”), on behalf of itself and each of the members of the Class, as defined in ¶1.4, *infra*, on the one hand; and (ii) William V. Carey and Christopher Biedermann (the “Individual Defendants”) on the other hand, by and through their counsel of record in the above-referenced consolidated litigation (the “Action”) pending in the United States District Court for the District of New Jersey (the “Court”). The Stipulation is intended by the Settling Parties to fully, finally, and forever resolve, discharge, and settle the Released Claims, upon and subject to the terms and conditions hereof and subject to the approval of the Court. Throughout this Stipulation, all capitalized terms used, but not immediately defined, have the meanings given to them in Part IV.1 below.

I. THE LITIGATION

On June 8, 2012, Jeffrey Grodko filed a class action complaint against the Individual Defendants and Central European Distribution Corporation (“CEDC” or the “Company”) in the United States District Court for the

Southern District of New York, purporting to allege violations of the federal securities laws. On August 7, 2012, 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. 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 (“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 purports to assert 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 an all-day mediation session with the Honorable Daniel Weinstein (Ret.). Pursuant to Judge

Weinstein's instructions, the Settling Parties submitted detailed mediation statements in advance of the session. Following a full day of intense, hard-fought, arm's-length negotiation under the auspices of Judge Weinstein, no agreement was reached, but 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.

II. 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 the Individual 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 this

Stipulation 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 this Stipulation is in the best interests of Lead Plaintiff and the Class.

III. DEFENDANTS' DENIALS OF WRONGDOING AND LIABILITY

The Individual Defendants have denied and continue to deny (1) all the claims alleged by Lead Plaintiff on behalf of the Class in the Amended Complaint; (2) all allegations of wrongdoing, fault, liability, or damages to Lead Plaintiff and the Class; and (3) that they have committed any act or omission giving rise to any liability or violation of federal or state (whether statutory or common) law, including any securities laws. Defendants believe that they acted at all times properly, in good faith, and consistent with their legal duties and obligations. 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. The Individual Defendants also have denied and continue to deny, *inter alia*, the allegations that any of them made any material misstatements or omissions; that any member of the Class has suffered damages; that the price of CEDC common stock was 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 the Individual Defendants knew about or were reckless with respect to the alleged misconduct. In addition, the Individual 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 litigation 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 this Stipulation. As set forth in ¶9.3 below, this Stipulation 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, or any infirmity in any claim or defense that has been or could have been asserted. The Individual Defendants are entering into this Stipulation solely to eliminate the burden, expense, uncertainty, and distraction of further litigation.

IV. TERMS OF STIPULATION AND AGREEMENT OF SETTLEMENT

NOW, THEREFORE, IT IS HEREBY STIPULATED AND AGREED by and among Lead Plaintiff (for itself and the members of the Class), on the one hand, and the Individual Defendants, on the other hand, (the “Settling Parties”) by and through their respective counsel or attorneys of record, that, subject to the approval of the Court, in consideration of the benefits flowing to the Settling Parties from the Settlement set forth herein, the Action and the Released Claims shall be finally and fully compromised, settled, and released, and the Action shall be dismissed with prejudice, without costs, upon and subject to the terms and conditions of the Stipulation, as follows.

1. Definitions

As used in the Stipulation and the exhibits appended thereto the following terms have the meanings specified below:

1.1 “Action” means the above-captioned consolidated action.

1.2 “Authorized Claimant” means any member of the Class who submits a timely and valid Proof of Claim and Release form and whose claim for recovery has been allowed pursuant to the terms of the Stipulation.

1.3 “Claims Administrator” means, subject to Court approval, the firm of Gilardi & Co. LLC.

1.4 “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 this 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.

1.5 “Class Member” means a Person who falls within the definition of the Class as set forth in ¶1.4 of this Stipulation.

1.6 “Class Period” means the period March 1, 2010 through November 13, 2012, inclusive.

1.7 “Defendants” means the Individual Defendants and CEDC.

1.8 “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.

1.9 “Escrow Account” means the account controlled by the Escrow Agent.

1.10 “Escrow Agent” means Robbins Geller Rudman & Dowd LLP or its successor(s).

1.11 “Final,” with respect to the Judgment approving the Settlement in the form of Exhibit B attached hereto, 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 this 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.

1.12 “Individual Defendants” means William V. Carey and Christopher Biedermann.

1.13 “Individual Defendants’ Counsel” means the law firm of Weil, Gotshal & Manges LLP.

1.14 “Insurer” means the Company’s directors and officers liability insurance carrier(s).

1.15 “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, which shall be substantially in the form attached hereto as Exhibit B. Any material amendment to the form attached hereto as Exhibit B must be expressly consented to in writing by all Settling Parties.

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

1.17 “Lead Plaintiff” means Puerto Rico System of Annuities and Pensions for Teachers.

1.18 “Net Settlement Fund” means the portion of the Settlement Fund that shall be distributed to Authorized Claimants as allowed by the Court.

1.19 “Notice” means the Notice of Pendency of Class Action and Proposed Settlement, which, subject to approval of the Court, will be sent to

Class Members and shall be substantially in the form attached hereto as Exhibit 1 to Exhibit A hereto.

1.20 “Notice and Administration Expenses” means all costs, fees, and expenses incurred in connection with providing notice to the Class and the administration of the Settlement, including, but not limited to: the cost of identifying and locating members of the Class, mailing the Notice and Proof of Claim and Release form and publishing notice (such amount shall include, without limitation, the actual costs of publication, printing and mailing the Notice, and reimbursement to nominee owners for forwarding notice to their beneficial owners), 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, and the administrative expenses incurred and fees charged by the Claims Administrator in connection with providing notice and processing the submitted claims.

1.21 “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.

1.22 “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.

1.23 “Plaintiffs’ Counsel” means any counsel who filed a complaint in the Action or any action that has been consolidated with the Action.

1.24 “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. Any Plan of Distribution is not part of the Stipulation and the Released Persons shall have no responsibility or liability with respect thereto.

1.25 “Preliminary Approval Order” means the proposed Order Granting Preliminary Approval of Class Action Settlement, Approving Form and Manner of Notice, and Setting Date for Hearing on Final Approval of

Settlement, which, subject to the approval of the Court, shall be substantially in the form attached hereto as Exhibit A.

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

1.27 “Released Claims” means any and all claims, rights, issues, controversies, causes of action, duties, obligations, demands, actions, 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 Corporation, Inc. Securities Litigation*, 11-cv-6247 (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.

1.28 “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.

1.29 “Settlement” means the resolution of the Action in accordance with the terms and provisions of this Stipulation.

1.30 “Settlement Amount” means the total principal amount of ten million dollars (\$10,000,000) in cash.

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

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

1.33 “Settling Parties” means, collectively, the Individual Defendants and Lead Plaintiff on behalf of itself and the Class Members.

1.34 “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.

2. CAFA Notice

2.1 Pursuant to the Class Action Fairness Act, no later than ten (10) calendar days after the Settlement Agreement is filed with the Court, the Individual Defendants shall serve proper notice of the proposed Settlement upon the appropriate representatives.

3. The Settlement

a. The Settlement Fund

3.1 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 and (ii) receipt by the 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. These funds, together with any interest and income earned thereon, shall constitute the Settlement Fund. If the Settlement Fund is not fully funded within thirty (30) calendar days of the satisfaction of both (i) and (ii) above, Lead Counsel may terminate the Settlement Agreement on fifteen (15) calendar days' notice to the Individual Defendants' Counsel. Neither of the Individual Defendants shall have any obligation to pay money as part of the Settlement or in connection with this Stipulation.

3.2 The Settlement Amount represents the entirety of the Released Persons' financial obligations under this Stipulation and in connection with the Settlement, meaning that it includes all attorneys' fees and expenses, Notice and Administration Expenses, Taxes, and any other costs of any kind

whatsoever associated with the Settlement. The payment of the Settlement Amount into the Escrow Account by the Insurer in accordance with ¶3.1 above fully discharges the Released Persons' financial obligations under this Stipulation and in connection with the Settlement, meaning that other than the Insurer's payment of the Settlement Amount into the Escrow Account, none of the Released Persons shall have any obligation to make any payments whatsoever under this Stipulation or as part of the Settlement. For the avoidance of doubt, under no circumstances shall the total amount paid by the Insurer under this Stipulation exceed the Settlement Amount. Further, the Individual Defendants will not pay any amount of money pursuant to the Settlement or this Stipulation.

b. The Escrow Agent

3.3 The Escrow Agent shall invest the Settlement Amount deposited pursuant to ¶3.1 hereof in instruments backed by the full faith and credit of the United States Government or fully insured by 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 Amount in accordance with the guidelines set forth in this paragraph shall be borne by the Settlement Fund.

3.4 The Escrow Agent shall not disburse the Settlement Fund except (a) as provided in the Stipulation, (b) by an order of the Court, or (c) with the written agreement of counsel for all of the Settling Parties.

3.5 Subject to further order(s) and/or directions as may be made by the Court, or as provided in the Stipulation, the Escrow Agent is authorized to execute such transactions as are consistent with the terms of the Stipulation. The Settling Parties and the Released Persons shall have no responsibility for, interest in, or liability whatsoever with respect to the actions of the Escrow Agent, or any transaction executed by the Escrow Agent.

3.6 All funds held in the Escrow Account 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 Stipulation and/or further order(s) of the Court.

3.7 Prior to the Effective Date, the Escrow Agent, without further approval of Defendants or the Court, may pay from the Settlement Fund up to \$500,000.00 in Notice and Administration Expenses actually and reasonably incurred associated with the administration of the Settlement. Prior to the Effective Date, payment of any Notice and Administration Expenses exceeding \$500,000.00 shall require notice to and agreement from the Individual Defendants, through the Individual Defendants' Counsel.

Subsequent to the Effective Date, without further approval by the Defendants or the Court, the Settlement Fund may be used by Lead Counsel to pay reasonable and necessary Notice and Administration Expenses in excess of \$500,000.00.

c. Taxes

3.8 Lead Plaintiff intends to treat the Settlement Fund as being at all times a “Qualified Settlement Fund” within the meaning of Treas. Reg. §1.468B-1. In addition, the Escrow Agent shall timely make such elections as necessary or advisable to carry out the provisions of this ¶3.8, including the “relation-back election” (as defined 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 timely and properly prepare and deliver the necessary documentation for signature by all necessary parties, and thereafter to cause the appropriate filing to occur.

(a) For the purpose of §468B of the Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder, the “administrator” shall be the Escrow Agent. Lead Counsel shall timely and properly file all informational and other tax returns necessary or advisable with respect to the Settlement Fund (including, without limitation, the returns

described in Treas. Reg. §1.468B-2(k)). Such returns (as well as the election described in ¶3.8 hereof) shall be consistent with this ¶3.8 and in all events shall reflect that all Taxes (including any estimated Taxes, interest, or penalties) on the income earned by the Settlement Fund shall be paid out of the Settlement Fund as provided in ¶3.8 (b) hereof.

(b) All (i) Taxes (including any estimated Taxes, interest, or penalties) arising with respect to the income earned by the Settlement Fund, including any Taxes or tax detriments that may be imposed upon the Settling Parties or their counsel 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 (“Taxes”), and (ii) expenses and costs incurred in connection with the operation and implementation of this ¶3.8 (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 ¶3.8) (“Tax Expenses”), shall be paid out of the Settlement Fund. In all events, the Individual Defendants, the Released Persons and their counsel shall have no liability or responsibility or liability for any Taxes or Tax Expenses, and, except as otherwise provided for in this Stipulation, the Lead Plaintiff and its counsel shall have no liability or responsibility for the Taxes

or the Tax Expenses. The Settlement Fund shall indemnify and hold each of the Individual Defendants, the Released Persons and their counsel harmless 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 be timely 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(1)(2)); the Individual Defendants, the Released Persons and their counsel are not responsible for the payment of any Taxes or Tax Expenses, and they shall not 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 ¶3.8.

d. Termination of Settlement

3.9 In the event that the Stipulation: (i) is not approved; (ii) is terminated, canceled, or fails to become effective for any reason, including,

without limitation, in the event the Judgment is reversed or vacated following any appeal taken therefrom; or (iii) is successfully collaterally attacked, the Settlement Fund (including accrued interest) less expenses actually incurred or due and owing for Notice and Administrative Expenses, Taxes or Tax Expenses pursuant to §§3.7 and 3.8, shall be refunded directly to the Insurer that the Defendants shall have caused to deposit the Settlement Amount into the Escrow Account (the “Funding Insurer”). Such direct refund to the Funding Insurer shall be made in accordance with written instructions to be provided to the Escrow Agent by the Individual Defendants’ Counsel.

4. Preliminary Approval Order and Settlement Hearing

4.1 As soon as practicable following the execution of this Stipulation, the Settling Parties shall submit the Stipulation together with its exhibits (the “Exhibits”) to the Court and shall apply for entry of a Preliminary Approval Order in the form of Exhibit A attached hereto, requesting, *inter alia*, the preliminary approval of the Settlement set forth in the Stipulation, set the date for a Settlement Hearing, and approval for the mailing of a settlement notice (the “Notice”) and publication of a summary notice, in the forms of Exhibits A-1 and A-3 attached hereto. The Notice shall include the general terms of the Settlement set forth in the Stipulation, the

proposed Plan of Distribution, the general terms of the Fee and Expense Application, and the date of the Settlement Hearing.

4.2 Lead Counsel shall request that after notice is given to the Class, the Court hold a hearing (the “Settlement Hearing”) and approve the Settlement of the Action as set forth herein. At or after the Settlement Hearing, Lead Counsel also shall request that the Court approve the proposed Plan of Distribution and the Fee and Expense Application.

5. Releases

5.1 Subject to approval by the Court, and such approval becoming Final, the obligations incurred pursuant to this Stipulation are in full and final disposition of the Released Claims.

5.2 Upon the Effective Date, Plaintiffs shall (i) be deemed to have, and by operation of the Judgment shall have, fully, finally, and forever released, relinquished, discharged, and dismissed against each and every one of the Released Persons (whether or not such Class Members execute and deliver the Proof of Claim and Release form) all Released Claims (including, without limitation, any Unknown Claims), as well as any claims arising out of, relating to, or in connection with, the defense, settlement, or resolution of the Action or the Released Claims; (ii) have and be deemed to have covenanted not to sue, directly or indirectly, any of the Released Persons with

respect to any and all of the Released Claims or any claims arising out of, relating to, or in connection with, the defense, settlement, or resolution of the Action or the Released Claims; and (iii) shall forever be barred and enjoined from commencing, instituting, prosecuting, or maintaining, intervening in, participating in (as a class member or otherwise), or receiving any benefits or other relief, directly or indirectly, from any action, suit, cause of action, arbitration, claim, demand, or other proceeding in any jurisdiction, whether in the United States or elsewhere, on their own or in a representative capacity, that is based upon, arises out of, or relates to any or all of the Released Claims against any and all of the Released Persons or any other Person who may seek to claim any form of contribution or indemnity from any Released Person. All Plaintiffs shall be bound by the terms of the releases set forth in this Stipulation whether or not they submit a valid and timely Proof of Claim, take any other action to obtain recovery from the Settlement Fund, or seek, or actually receive, a distribution from the Net Settlement Fund. Notwithstanding the preceding, Plaintiffs are not waiving their right to enforce this Agreement and are not releasing claims related to the enforcement of this Agreement. For the avoidance of doubt, Released Claims do not include claims to enforce the Settlement or claims alleged in *In re Central European Distribution Corporation, Inc. Securities Litigation*,

11-cv-6247 (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.

5.3 The Released Persons and the Individual Defendants' Counsel shall have no responsibility for, interest in, or liability whatsoever with respect to: (i) any act, omission, or determination by 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 Settlement Fund; (iii) the Plan of Distribution, or its implementation, administration, or interpretation; (iv) the determination, administration, calculation, or payment of any claims asserted against the Settlement Fund; (v) any losses suffered by, or fluctuations in value of, the Settlement Fund; or (vi) the payment or withholding of any Taxes, expenses, and/or costs incurred in connection with the Settlement Fund or the filing of any federal, state, or local tax returns.

5.4 Upon the Effective Date, Lead Plaintiff and each of the Class Members, and their predecessors, successors, agents, representatives, attorneys, and affiliates, and the heirs, executors, administrators, successors, and assigns of each of them, directly or indirectly, individually, derivatively, representatively, or in any other capacity, shall be permanently barred and

enjoined from the assertion, institution, maintenance, prosecution, or enforcement against the Individual Defendants, or any other Released Persons, in any state or federal court or arbitral forum, or in the court of any foreign jurisdiction, of any and all Released Claims (including, without limitation, any Unknown Claims), as well as any claims arising out of, relating to, or in connection with, the defense, settlement, or resolution of the Action or the Released Claims.

5.5 The Proof of Claim and Release form to be executed by Class Members will contain a release of all Released Claims against the Released Persons and shall be substantially in the form contained in Exhibit A-2 attached hereto.

5.6 Upon the Effective Date, each of the Released Persons shall be deemed to have, and by operation of the Judgment shall have, fully, finally, and forever released, relinquished, and discharged Lead Plaintiff, each and all of the Class Members, and Lead Counsel from all claims (including, without limitation, 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. Notwithstanding the preceding sentence, the Individual Defendants and the Released Persons do not release claims against Plaintiffs to enforce the Settlement or this Stipulation.

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

6.1 The Claims Administrator, subject to such supervision and direction of the Court as may be necessary or as circumstances may require, shall provide notice of the Settlement to the Class as set forth in ¶4.1 above, subject to any Court modification, shall administer and calculate the claims submitted by Class Members, and shall oversee distribution of the Net Settlement Fund to Authorized Claimants.

6.2 Within ten (10) calendar days of the Court's Preliminary Approval Order, the Individual Defendants will use reasonable efforts to cause CEDC's transfer agent to provide to the Claims Administrator in a computer-readable format, the last known names and addresses of all CEDC shareholders of record during the Class Period.

6.3 On the date set forth in the Notice Order (the "Notice Date"), Lead Counsel will cause to be mailed to all shareholders of record the Notice, substantially in the form of Exhibit A-1 attached hereto, and a Proof of Claim and Release form, substantially in the form of Exhibit A-2 attached hereto. The Notice shall set forth the terms of the Stipulation, including the proposed Plan of Distribution and Lead Counsel's request for attorneys' fees and expenses and expenses of the Lead Plaintiff; the date and time of the

Settlement Hearing; the right to object to the Settlement, proposed Plan of Distribution, or request for fees and expenses; the right to appear at the Settlement Hearing; and the right to request exclusion from the Class. The Notice and Proof of Claim and Release form shall also be posted on the Claims Administrator's website. In accordance with the schedule set forth in the Notice Order, a summary notice, substantially in the form of Exhibit A-3 attached hereto, will also be published once in the national edition of *Investor's Business Daily* and once over a national newswire service. The cost of providing such notice shall be paid out of the Settlement Fund. Not later than twenty-one (21) days prior to the Settlement Hearing, Lead Counsel shall serve on the Individual Defendants' Counsel and file with the Court proof, by affidavit or declaration, of such mailing and publishing.

6.4 The Settlement Fund shall be applied as follows:

(a) to pay Lead Counsel's attorneys' fees and expenses (the "Fee and Expense Award") and Lead Plaintiff's expenses, if and to the extent allowed by the Court;

(b) to pay all Notice and Administration Expenses;

(c) to pay the Taxes and Tax Expenses described in ¶3.8

hereof; and

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

6.5 Upon the Effective Date and thereafter, and in accordance with the terms of the Stipulation, the Plan of Distribution, 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 ¶¶6.6-6.13.

6.6 Each Person claiming to be an Authorized Claimant shall be required to submit to the Claims Administrator a completed Proof of Claim and Release form, substantially in the form of Exhibit A-2 attached hereto, postmarked by no later than ninety (90) calendar days after the Notice Date, or such other time as may be set by the Court (the “Bar Date”), signed under penalty of perjury and supported by such documents as are specified in the Proof of Claim and Release form.

6.7 Except as otherwise ordered by the Court, all Class Members who fail to submit a Proof of Claim and Release form by the Bar Date, or such other period as may be ordered by the Court, or who file a Proof of Claim and Release form that is rejected, shall be forever barred from receiving any payments pursuant to the Stipulation and the Settlement memorialized 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. Notwithstanding the foregoing, Lead Counsel may, in their discretion, accept for processing late submitted claims so long as the distribution of the Net Settlement Fund to Authorized Claimants is not materially delayed.

6.8 The Claims Administrator shall calculate the claims of Authorized Claimants in accordance with the Plan of Distribution. Following the Effective Date, the Claims Administrator shall send to each Authorized Claimant his, her, or its *pro rata* share of the Net Settlement Fund. The cost of these procedures shall be paid out of the Settlement Fund.

6.9 Following the Effective Date, Defendants shall not have a reversionary interest in the Net Settlement Fund. If there is any balance remaining in the Net Settlement Fund after six (6) months from the date of the initial distribution of the Net Settlement Fund, Lead Counsel shall, if feasible, distribute such balance among Authorized Claimants who negotiated the checks sent to them in the initial distribution in an equitable and economical fashion. These redistributions shall be repeated until the balance remaining in the Net Settlement Fund is *de minimis* (no more than \$10,000.00) and such remaining balance shall then be donated to an appropriate non-profit organization selected by Lead Counsel.

6.10 The Released Persons and their counsel shall have no responsibility for, interest in, or liability whatsoever with respect to the distribution of the Net Settlement Fund, the Plan of Distribution, the determination, administration, or calculation of claims, the payment or withholding of Taxes, or any losses incurred in connection therewith.

6.11 Defendants shall take no position with respect to the Plan of Distribution or any other such distribution plan as may be approved by the Court.

6.12 It is understood and agreed by the Settling Parties that any proposed Plan of Distribution 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 Distribution shall not operate to terminate or cancel the Stipulation or affect the finality of the Court's Judgment approving the Stipulation and the Settlement memorialized herein, or any other orders entered pursuant to the Stipulation. Class Members and the Individual Defendants shall be bound by the terms of this Stipulation, irrespective of whether the Court disapproves or modifies the Plan of Distribution.

6.13 No Person shall have any claim against Lead Plaintiff, Lead Counsel, the Individual Defendants, the Individual Defendants' Counsel, any other Released Person or the Claims Administrator based on distributions made substantially in accordance with the Court-approved Settlement, Stipulation, and Plan of Distribution, or otherwise as further ordered by the Court.

7. Lead Counsel's Attorneys' Fees and Expenses; Lead Plaintiff's Expenses

7.1 Lead Counsel may submit an application or applications (the "Fee and Expense Application") for distributions from the Settlement Fund for (a) an award of attorneys' fees to be paid out of the Settlement Fund plus (b) expenses incurred in connection with prosecuting the Action, plus interest on both amounts. Lead Plaintiff may submit a request for its expenses in representing the Class ("Lead Plaintiff's Expense Request"). Neither Lead Counsel nor any Class Member shall be entitled to terminate the Stipulation if the Court disapproves of or modifies the terms of this Stipulation with respect to attorneys' fees or expenses or the distribution of the Net Settlement Fund.

7.2 The attorneys' fees and expenses, as awarded by the Court, shall be paid to Lead Counsel from the Settlement Fund, as ordered, immediately after the Court executes an order awarding such fees and expenses. This provision shall apply notwithstanding timely objections to, potential for

appeal from, or collateral attack on the Settlement. Lead Counsel shall thereafter allocate the attorneys' fees amongst Plaintiffs' Counsel in a manner that Lead Counsel in good faith believes reflects the contributions of such counsel to the prosecution and settlement of the Action. The Individual Defendants shall have no obligation to make any payment whatsoever with respect to funding the Settlement Fund, and the Individual Defendants and the other Released Persons shall have no responsibility with respect to the allocation of attorneys' fees, costs, and expenses amongst Plaintiffs' Counsel or with respect to payment of any plaintiff's expense award. Any such awards shall be paid solely from the Settlement Fund. In the event that the Judgment or the order awarding such fees and expenses paid to Lead Counsel pursuant to this ¶7.2 is reversed or modified, or if the Settlement is cancelled or terminated for any reason, then Plaintiffs' Counsel shall, in an amount consistent with such reversal or modification, severally refund the total of such fees or expenses to the Settlement Fund, plus interest thereon at the same rate as earned on the Settlement Fund, within twenty (20) business days from receiving notice from the Individual Defendants' Counsel or from a court of competent jurisdiction.

7.3 The procedure for and the allowance or disallowance by the Court of the Fee and Expense Application and the Lead Plaintiff's Expense

Request, to be paid out of the Settlement Fund, are not part of the Settlement memorialized in the Stipulation or the Plan of Distribution, and any order or proceeding relating to the Fee and Expense Application or the Lead Plaintiff's Expense Request, 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 approving the Stipulation and the Settlement of the Action.

7.4 Released Persons shall have no responsibility for any payment of attorneys' fees and expenses to Lead Counsel, Plaintiffs' Counsel or any Class Member's counsel over and above payment of the Settlement Fund. Released Persons shall have no responsibility for any payment of expenses to Lead Plaintiff or any Class Member over and above payment of the Settlement Fund.

7.5 Released Persons shall have no responsibility for the allocation among any Plaintiffs' Counsel or Class Member's counsel, and/or any other Person who may assert some claim thereto, of any fee or expense award that the Court may make in the Action.

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

8.1 The proposed Judgment shall include, and the Settling Parties agree to the entry by the Court of an order including, a Bar Order that contains the following provisions:

(a) In accordance with 15 U.S.C. § 78u-4(f)(7)(A), upon the Effective Date, except as provided in subparagraph (b), any and all Persons are permanently barred and enjoined, to the fullest extent permitted by law, from commencing, prosecuting, or asserting any and all claims for contribution or indemnity (or any other claim when the alleged injury to that Person is that Person's actual or threatened liability to the Class or a Class Member in the Action) based upon, relating to, or arising out of the Released Claims, against each and every one of the Released Persons, whether arising under state, federal, common, or foreign law, as claims, cross-claims, counterclaims, or third-party claims, in this Action or a separate action, in this Court, any federal or state court, or in any other court, arbitration proceeding, administrative proceeding, or other forum, whether in the United States or elsewhere; and, except as provided in subparagraph (b), the Released Persons are permanently barred and enjoined, to the fullest extent permitted by law, from commencing, prosecuting, or asserting any and all claims for contribution or indemnity (or any other claim when the alleged injury to the

Released Person is that Released Person's actual or threatened liability to the Class or a Class Member in the Action) based upon, relating to, or arising out of the Released Claims, against any Person, other than a Person whose liability to the Class has been extinguished pursuant to the Settlement and the Judgment, whether arising under state, federal, common, or foreign law, as claims, cross-claims, counterclaims, or third-party claims, in this Action or a separate action, in this Court, any federal or state court, or in any other court, arbitration proceeding, administrative proceeding, or other forum, whether in the United States or elsewhere.

(b) Notwithstanding the Bar Order contemplated in subparagraph (a), nothing in this Judgment shall (i) bar any action by any of the Settling Parties to enforce or effectuate the terms of this Stipulation, the Settlement, the Preliminary Approval Order, or the Judgment; or (ii) bar any action by the Released Persons to enforce the protections from liability granted to them under this Stipulation.

8.2 The proposed Judgment shall also contain the releases provided in ¶¶5.2 and 5.6 of this Stipulation and the following provisions: Upon the Effective Date, the Plaintiffs (i) have and shall be deemed to have fully, finally, and forever waived, released, relinquished, discharged, and dismissed each and every one of the Released Claims against each and every one of the

Released Persons; (ii) have and be deemed to have covenanted not to sue, directly or indirectly, any of the Released Persons with respect to any and all of the Released Claims; and (iii) shall forever be barred and enjoined from directly or indirectly filing, commencing, instituting, prosecuting, maintaining, intervening in, participating in (as a class member or otherwise), or receiving any benefits or other relief, from any action, suit, cause of action, arbitration, claim, demand, or other proceeding in any jurisdiction, whether in the United States or elsewhere, on their own behalf or in a representative capacity, that is based upon, arises out of, or relates to any and all of the Released Claims against any and all of the Released Persons or any other Person who may seek to claim any form of contribution or indemnity from any Released Person. All Released Persons shall be bound by the terms of the releases set forth in the Stipulation and this Judgment, whether or not they submit a valid and timely Proof of Claim, take any other action to obtain recovery from the Settlement Fund, or seek, or actually receive a distribution from the Net Settlement Fund.

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

(a) execution of the Stipulation and such other documents as may be required to obtain final Court approval of the Stipulation in a form satisfactory to the Settling Parties;

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

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

(d) the Individual Defendants have not exercised their option to terminate the Stipulation pursuant to ¶8.5 hereof;

(e) the Court has entered the Notice Order;

(f) the Court has entered the Judgment that, *inter alia*, dismisses with prejudice the Action as set forth above; and

(g) the Judgment has become Final, as defined in ¶1.11 hereof.

8.4 Upon the occurrence of all of the events referenced in ¶8.3 hereof, any and all remaining interest or right of Defendants in or to the Settlement Fund, if any, shall be absolutely and forever extinguished. If all of the conditions specified in ¶8.3 hereof are not met, then the Stipulation shall be canceled and terminated, subject to ¶8.7 hereof, unless Lead Counsel and

the Individual Defendants' Counsel mutually agree in writing to proceed with the Settlement.

8.5 If, prior to the Settlement Hearing, Persons who otherwise would be members of the Class have timely requested exclusion from the Class in accordance with the provisions of the Notice Order and the Notice given pursuant thereto, and such Persons in the aggregate purchased or acquired a number of CEDC common stock shares during the Class Period in an amount greater than the sum specified in a separate confidential "Supplemental Agreement" executed between Lead Plaintiff and the Individual Defendants, the Individual Defendants shall have, in their sole and absolute discretion, the option to terminate this Stipulation and the Settlement in accordance with the procedures set forth in the Supplemental Agreement. The Supplemental Agreement shall not be filed with the Court except that the substantive content of the Supplemental Agreement may be brought to the attention of the Court, *in camera*, if so requested by the Court or as otherwise ordered by the Court. The Settling Parties will keep the terms of the Supplemental Agreement confidential, except if compelled by judicial process to disclose the Supplemental Agreement. Copies of all requests for exclusion received, together with copies of all written revocations of requests for exclusion, shall be delivered to the Individual Defendants' Counsel by Lead Counsel within

three (3) business days of receipt by Lead Counsel but in no event later than seven (7) business days before the Settlement Hearing. The Individual Defendants may terminate the Stipulation and Settlement by serving written notice of termination on the Court and Lead Counsel postmarked on or before five (5) business days after the receipt of all of the copies of the requests for exclusion, on or before five (5) business days after the Court grants additional time for exclusion for any reason, or on or before three (3) business days before the Settlement Hearing, whichever occurs last. In the event that either of the Individual Defendants serves a written notice of termination, such Individual Defendant(s) may withdraw his written notice of termination by providing written notice of such withdrawal to Lead Counsel and to the Court by no later than 5:00 PM Eastern Time on the day prior to the Settlement Hearing, or by such later date as shall be agreed upon in writing as between Lead Counsel and the Individual Defendants' Counsel.

8.6 Unless otherwise ordered by the Court, in the event the Stipulation shall terminate, or be canceled, or shall not become effective for any reason, within five (5) business days after written notification of such event is sent by the Individual Defendants' Counsel or Lead Counsel to the Escrow Agent, the Settlement Fund (including accrued interest), less expenses which have either been incurred or disbursed pursuant to ¶3.7 or

¶3.8 hereof, shall be refunded directly to the Funding Insurer. Such direct refund to the Funding Insurer shall be made pursuant to written instructions to be provided to the Escrow Agent by the Individual Defendants' Counsel. At the request of the Individual Defendants' Counsel, the Escrow Agent or its designee shall apply for any tax refund owed on the Settlement Fund and pay the proceeds, after deduction of any expenses incurred in connection with such application(s) for refund, directly to the Funding Insurer, pursuant to written instructions to be provided to the Escrow Agent by the Individual Defendants' Counsel.

8.7 In the event that the Stipulation is not approved by the Court or the Settlement memorialized in the Stipulation is terminated or fails to become effective in accordance with its terms, the Settling Parties shall be restored to their respective positions in the Action immediately prior to November 18, 2013. In such event, the terms and provisions of the Stipulation, with the exception of ¶¶ 8.6; 8.7; 9.3; 10.4; 10.10; 10.11; 10.19 hereof, shall have no further force and effect with respect to the Settling Parties and shall not be used in this Action or in any other proceeding for any purpose, and any judgment or order entered by the Court in accordance with the terms of the Stipulation shall be treated as vacated, *nunc pro tunc*, the parties in the Action shall proceed in all respects as if this Stipulation had not

been entered and all negotiations, discussions, acts, Court orders, and other proceedings in connection therewith treated as if they never occurred or existed, and the Settling Parties shall be deemed to return to their status as of immediately prior to November 18, 2013. No order of the Court or modification or reversal on appeal of any order of the Court concerning the Plan of Distribution or the amount of any attorneys' fees, expenses, and interest awarded by the Court to Lead Counsel or expenses to Lead Plaintiff shall constitute grounds for cancellation or termination of the Stipulation.

9. No Admission of Wrongdoing

9.1 Defendants have denied and continue to deny, inter alia, that Lead Plaintiff and putative Class Members have suffered any or all damages alleged in the Amended Complaint; that the price of CEDC Common Stock was artificially inflated by reason of any alleged misrepresentations, omissions, or otherwise; that Defendants acted fraudulently or wrongfully in any way; or that the alleged harm suffered by Lead Plaintiff and other Class Members, if any, was causally linked to any alleged misrepresentations or omissions. In addition, the Individual Defendants maintain that they have meritorious defenses to all claims alleged in the Action.

9.2 Nonetheless, the Individual Defendants have concluded that further litigation of the Action, especially given the complexity of cases such

as this one, would be protracted, burdensome, and expensive, and that it is desirable and beneficial to them that they secure releases to the fullest extent permitted by law and that the Action be fully and finally settled and terminated in the manner and upon the terms and conditions set forth in this Stipulation.

9.3 Except as set forth in ¶9.4 below, this Stipulation, whether or not consummated, and whether or not approved by the Court, and any discussions, negotiations, acts performed, proceedings, communications, drafts, documents, or agreements relating to this Stipulation, the Settlement, and any matters arising in connection with settlement discussions or negotiations, proceedings, or agreements, shall not be offered or received against or to the prejudice of the Settling Parties for any purpose other than in an action to enforce the terms hereof, and in particular:

(a) do not constitute, shall not be described as, construed as, or offered or received against, or to the prejudice of the Individual Defendants as evidence of, or deemed to be evidence of, any presumption, concession, or admission by any Individual Defendant or Released Person with respect to (i) the truth of any allegation by Lead Plaintiff on behalf of the Class or in any complaint in the Action; (ii) the validity of any claim that has been or could have been asserted in the Action or in any litigation or proceeding in any

forum, including but not limited to the Released Claims; (iii) the deficiency of any defense that has been or could have been asserted in the Action or in any other litigation or proceeding in any forum; or (iv) any liability, damages, negligence, fault, or wrongdoing of the Defendants, the Released Persons or any Person whatsoever;

(b) do not constitute, shall not be described as, construed as, or offered or received against or to the prejudice of the Individual Defendants as evidence of, or deemed to be evidence of, any presumption, concession, or admission of any fault, misrepresentation, or omission with respect to any statement or written document approved or made by the Individual Defendants, or against or to the prejudice of Lead Plaintiff or any Class Member as evidence of any infirmity in the claims of Lead Plaintiff or the other Class Member;

(c) do not constitute, shall not be described as, construed as, or offered or received against or to the prejudice of the Individual Defendants, Lead Plaintiff, or any Class Member, as evidence of, or deemed to be evidence of, any presumption, concession, or admission with respect to any liability, damages, negligence, fault, infirmity, or wrongdoing, or in any way referred to for any other reason against or to the prejudice of any of the

Settling Parties, in any other civil, criminal, or administrative action or proceeding;

(d) do not constitute, shall not be described as, construed as, or offered or received against or to the prejudice of the Individual Defendants, Lead Plaintiff, or any Class Member, as evidence of (or deemed to be evidence of) any presumption, concession, or admission that the consideration to be given hereunder represents the amount which could be or would have been recovered after trial.

9.4 Notwithstanding ¶9.3, the Released Persons may file a copy of this Stipulation and/or the Judgment in any action that may be brought against them in order to support a defense or counterclaim based on principles of res judicata, collateral estoppel, release, statute of limitations, statute of repose, good-faith settlement, judgment bar or reduction, or any theory of claim preclusion or issue preclusion or similar defense or counterclaim, or to effectuate any liability protection granted them. The Settling Parties may file a copy of or refer to this Stipulation and/or the Judgment in any action that may be brought to enforce the terms of this Stipulation and/or the Judgment. All Settling Parties submit to the jurisdiction of the Court for purposes of implementing and enforcing the Settlement.

10. Miscellaneous Provisions

10.1 The Settling Parties: (a) acknowledge that it is their intent to consummate this Stipulation; 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 While the Individual Defendants have no obligation to contribute any money as a part of this Settlement or pursuant to this Stipulation, each of the Individual Defendants warrants and represents as to himself, only, that he is not “insolvent” within the meaning of 11 U.S.C. §101(32) as of the time the Stipulation is executed and as of the time the Funding Insurer’s payment is actually transferred or made as reflected in the Stipulation. In the event of a final order of a court of competent jurisdiction, not subject to any further proceedings, determining the transfer of the Settlement Fund, or any portion thereof, by the Funding Insurer on behalf of either Individual Defendant to be a preference, voidable transfer, fraudulent transfer or similar transaction under Title 11 of the United States Code (Bankruptcy) or applicable state law and any portion thereof is required to be refunded (hereinafter, the “Bankruptcy Order”), and such amount is not promptly deposited in the Settlement Fund by the Funding Insurer or the Company on behalf of the

other Individual Defendant, then, at the election of Lead Counsel, the Settlement may be partially terminated and the releases given and the Judgment entered in favor of one of the Individual Defendants pursuant to the Settlement shall be null and void. In such instance, the releases given and the Judgment entered in favor of any Individual Defendant as to which the Settlement is not terminated shall remain in full force and effect. Alternatively, in the event of a Bankruptcy Order, Lead Counsel may elect to terminate the entire Settlement as to both Individual Defendants and all of the releases given and the Judgment entered in favor of the Individual Defendants pursuant to the Settlement shall be null and void and Lead Plaintiff may proceed as if the Settlement were never entered into. For the avoidance of doubt, neither of the Individual Defendants have any obligation to contribute any funds to the Settlement Fund or make any payments pursuant to this Stipulation, whether the Insurer or the Company contributes to the Settlement Fund or not.

10.3 The Settling Parties intend this Settlement to be a final and complete resolution of all disputes between them with respect to the Action. The Settlement shall not be deemed an admission by any Settling Party as to the merits of any claim or defense. The Settling Parties and their counsel agree that each has complied fully with Rule 11 of the Federal Rules of Civil

Procedure in connection with the maintenance, prosecution, defense, and settlement of the Action. The Settling Parties and their counsel agree that they shall not assert or allege in any action, proceeding, or claim that any party hereto violated Rule 11, and the Judgment shall contain a finding that all Settling Parties and their counsel complied with the requirements of Rule 11 with respect to the institution, prosecution, defense, and resolution of the Action. 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 with the assistance of the independent mediator and reflect a Settlement that was reached voluntarily after consultation with competent legal counsel. 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 regarding the Action, including that the Action was brought or defended in bad faith or without a reasonable basis.

10.4 While maintaining their position that the claims asserted in the Action are meritorious, Lead Plaintiff and Lead Counsel shall not make any public statements or statements to the media (whether or not for attribution) that disparage the business, conduct, or reputation of either of the Individual Defendants based on the subject matter of the Action. While maintaining their position that the claims asserted in the Action are not meritorious, the

Individual Defendants and the Individual Defendants' Counsel shall not make any public statements or statements to the media (whether or not for attribution) that disparage the business, conduct, or reputation of Lead Plaintiff or Lead Counsel based on the subject matter of the Action. In all events, Lead Plaintiff, Lead Counsel, and the Individual Defendants and the Individual Defendants' Counsel, shall not make any accusations of wrongful or actionable conduct by any party to the Action concerning the resolution of the Action, and shall not otherwise suggest that the Settlement constitutes an admission of any claim or defense alleged. The obligations in this Paragraph shall survive and remain in full force and effect and be binding in all respects on the Settling Parties even if this Stipulation is terminated, the Settlement is not approved, or the Effective Date does not occur.

10.5 Neither the Stipulation nor the Settlement memorialized herein, nor any act performed or document executed pursuant to or in furtherance of the Stipulation or the Settlement (a) is or may be deemed to be or may be used as an admission of, or evidence of, the validity of any Released Claim, or of any wrongdoing or liability of the Released Persons; 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; or (c) is or may be deemed to be or may be used as an admission or evidence that any claims asserted by Lead

Plaintiff were not valid or that the amount recoverable was not greater than the Settlement Amount, in any civil, criminal, or administrative proceeding in any court, administrative agency, or other tribunal. The Released Persons may file a copy of the Stipulation and/or the Judgment in any action that may be brought against them in order to support a defense or counterclaim based on principles of res judicata, collateral estoppel, release, good faith settlement, judgment bar or reduction, or any other theory of claim preclusion or issue preclusion or similar defense or counterclaim.

10.6 All agreements made and orders entered during the course of the Action relating to the confidentiality of information shall survive this Stipulation. In addition, all discussions between the Settling Parties and their counsel, including discussions with the mediator, related to the Settlement in general and this Stipulation, shall be and remain confidential unless otherwise agreed to by the Settling Parties.

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

10.8 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.

10.9 The Stipulation and the Exhibits attached (together with the Supplemental Agreement referred to in ¶8.5) hereto constitute the entire agreement among the Settling Parties and no representations, warranties, or inducements have been made to any Settling Party concerning the Stipulation or its Exhibits other than the representations, warranties, and covenants contained and memorialized in such documents. Except as otherwise provided herein (or, as between Defendants, in any agreement between them), each Settling Party shall bear its own costs.

10.10 Pending final determination of whether the Settlement should be approved, Lead Plaintiff, all Class Members, and each of them, and anyone who acts or purports to act on their behalf, shall not institute, commence, participate in, or prosecute any action or proceeding that asserts, whether directly or indirectly, any of Released Claims against the Released Persons.

10.11 Neither the Class Members nor the Individual Defendants shall be bound by the Stipulation if the Court modifies material terms thereof; provided, however, that it shall not be a basis for Class Members to terminate the Settlement if the Court modifies any proposed Plan of Distribution or criteria for allocation of the Net Settlement Fund amongst Class Members, or the Plan of Distribution is modified on appeal. Nor shall it be a basis to terminate the Stipulation if the Court disapproves of or modifies the terms of

this Stipulation with respect to attorneys' fees or expenses, Lead Plaintiff's expenses or the distribution of the Net Settlement Fund. Notwithstanding any such modification of the terms or Plan of Distribution or the Stipulation with respect to attorneys' fees or expenses or Lead Plaintiff's expenses, the Individual Defendants shall be entitled to all benefits of the Settlement and shall not, under any circumstances, be called upon to contribute funds to the Settlement Fund.

10.12 Lead Counsel, on behalf of the Class, is expressly authorized by Lead Plaintiff to take all appropriate actions required or permitted to be taken by the Class pursuant to the Stipulation to effectuate its terms and also is expressly authorized to enter into any modifications or amendments to the Stipulation on behalf of the Class which it deems appropriate.

10.13 Lead Plaintiff and Lead Counsel represent and warrant that none of Lead Plaintiff's claims or causes of action referred to in this Action or this Stipulation has been assigned, encumbered, or in any manner transferred in whole or in part.

10.14 Each counsel or other Person executing the Stipulation or any of its Exhibits on behalf of any Settling Party hereby warrants that such Person has the full authority to do so.

10.15 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. A complete set of executed counterparts shall be filed with the Court.

10.16 The Stipulation shall be binding upon, and inure to the benefit of, the heirs, successors, and assigns of the Settling Parties. This Stipulation shall be binding when signed, but the Settlement shall be effective only on the condition that the Effective Date occurs.

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

10.18 The Court shall retain jurisdiction with respect to implementation and enforcement of the terms of the Stipulation and any related orders or judgments, and all Settling Parties submit to the jurisdiction of the Court for purposes of implementing and enforcing the Settlement embodied in the Stipulation.

10.19 Pending approval of the Court of the Stipulation and its Exhibits, all proceedings in this Action shall be stayed and all members of the Class shall be barred and enjoined from prosecuting any of the Released Claims against any of the Released Persons.

10.20 This Stipulation and the Exhibits hereto shall be considered to have been negotiated, executed, and delivered, and to be wholly performed, in the State of New York, and the rights and obligations of the parties to the Stipulation shall be construed and enforced in accordance with, and governed by, the internal, substantive laws of the State of New York without giving effect to that State's choice-of-law principles.

IN WITNESS WHEREOF, the parties hereto have caused the Stipulation to be executed, by their duly authorized attorneys, dated April 28, 2014.


COHN LIFLAND PEARLMAN
HERRMANN & KNOPF LLP

By  _____

Dated: 4/28/14

Peter S. Pearlman
Jeffrey W. Herrmann
Park 80 West – Plaza One
250 Pehle Avenue, Suite 401
Saddle Brook, NJ 07663

WEIL, GOTSHAL & MANGES LLP

By:  _____

Dated: April 28, 2014

Robert F. Carangelo (admitted *pro hac vice*)
Paul Ferrillo (admitted *pro hac vice*)
Jamie L. Hoxie (admitted *pro hac vice*)
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Dated: 4/28/14

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EXHIBIT A

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Liaison Counsel

UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY

Grodko v. Central European) No. 1:12-cv-05530-JBS-KMW
Distribution Corp, et al.,)
No. 1:12-cv-05530-JBS-KMW) CLASS ACTION
Puerto Rico System of Annuities and) [PROPOSED] ORDER
Pensions for Teachers v. Central) PRELIMINARILY APPROVING
European Distribution Corp, et al.,) SETTLEMENT AND PROVIDING
No. 1:12-cv-05531-JBS-KMW) FOR NOTICE
) EXHIBIT A
)

WHEREAS, a consolidated action is pending before this Court styled *Grodko v. Central European Distribution Corporation, et al.*, No. 1:12-cv-05530-JBS-KMW; *Puerto Rico System of Annuities and Pensions for Teachers v. Central European Distribution Corporation, et al.*, No. 1:12-cv-05531-JBS-KMW (the “Action”);

WHEREAS, Lead Plaintiff 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 a Settlement Agreement dated as of April 28, 2014 (the “Stipulation”), which, together with the exhibits annexed thereto, set 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 Stipulation and the exhibits annexed thereto; and

WHEREAS, all defined terms herein have the same meanings as set forth in the Stipulation.

NOW, THEREFORE, IT IS HEREBY ORDERED:

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

2. A hearing (the “Settlement Hearing”) shall be held before this Court on _____, 2014, at _____ .m., at the United States District Court for the District of New Jersey, Mitchell H. Cohen Building & U.S. Courthouse, Courtroom

4A, 400 Cooper Street, Camden, New Jersey 08101, to determine whether the proposed settlement of the Action on the terms and conditions provided for in the Stipulation is fair, reasonable, and adequate to the Class and should be approved by the Court; whether a Judgment as provided in ¶1.15 of the Stipulation should be entered; whether the proposed Plan of Distribution is fair, reasonable, and adequate, and should be approved; to determine the amount of fees and expenses that should be awarded to counsel for the Lead Plaintiff; and to determine the amount of expenses that should be awarded to the Lead Plaintiff.

3. Pursuant to Rule 23 of the Federal Rules of Civil Procedure, the Court preliminarily certifies, for purposes of effectuating this settlement, a Class of all Persons who purchased the common stock of CEDC between and including 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.

4. With respect to the Class, this Court preliminarily finds for purposes of effectuating this settlement that: (a) the members of the Class are so numerous that joinder of all Class Members in the litigation is impracticable; (b) there are questions of law and fact common to the Class which predominate over any individual questions; (c) the claims of the Lead Plaintiff are typical of the claims of the Class; (d) the Lead Plaintiff and Lead Counsel have fairly and adequately represented and protected the interests of all of the Class Members; and (e) a class action is superior to other available methods for the fair and efficient adjudication of the controversy, considering: (i) the interests of the members of the Class in individually controlling the prosecution of the separate actions; (ii) the extent and nature of any litigation concerning the controversy already commenced by members of the Class; (iii) the desirability or undesirability of continuing the litigation of these claims in this particular forum; and (iv) the difficulties likely to be encountered in the management of the litigation.

5. The Court approves, as to form and content, the Notice of Pendency and Proposed Settlement of Class Action (the “Notice”), the Proof of Claim form (the “Proof of Claim”), and 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 ¶¶6-7 of 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.

6. The firm of Gilardi & Co. LLC (“Claims Administrator”) is hereby appointed to supervise and administer the notice procedure as well as the processing of claims as more fully set forth below:

(a) Lead Counsel shall make reasonable efforts to identify all Persons who are members of the Class and not later than fourteen (14) days from the date of this Order, Lead Counsel 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 (the “Notice Date”);

(b) Not later than ten (10) days from the Notice Date, Lead Counsel shall cause the Summary Notice to be published once over a national newswire service; and

(c) At least twenty-one (21) calendar days prior to the Settlement Hearing, Lead Counsel shall cause to be served on Individual Defendants’ Counsel and filed with the Court proof, by affidavit or declaration, of such mailing and publishing.

7. Nominees who purchased or acquired the common stock of CEDC for the beneficial ownership of Class Members during the Class Period shall send the Notice

and the Proof of Claim to all such beneficial owners of CEDC common stock within ten (10) days after receipt thereof, or, send a list of the names and addresses of such beneficial owners to the Claims Administrator within ten (10) days of receipt thereof, in which event the Claims Administrator shall promptly mail the Notice and Proof of Claim to such beneficial owners. Lead Counsel shall, if requested, reimburse banks, brokerage houses or other nominees solely for their reasonable expenses incurred in providing 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.

8. All members of the Class shall be bound by all determinations and judgments in the Action concerning the settlement, whether favorable or unfavorable to the Class.

9. Class Members who wish to participate in the settlement shall complete and submit Proofs of Claim in accordance with the instructions contained therein. Unless the Court orders otherwise, all Proofs of Claim must be postmarked no later than ninety (90) days from the Notice Date. Any Class Member who does not timely submit a Proof of Claim within the time provided for, shall be barred from sharing in the distribution of the proceeds of the Net Settlement Fund, unless otherwise ordered by the Court. Notwithstanding the foregoing, Lead Counsel may, in their discretion,

accept late-submitted claims for processing by the Claims Administrator so long as distribution of the Net Settlement Fund is not materially delayed thereby.

10. Any member of the Class may enter an appearance in the Action, at their own expense, individually or through counsel of their own choice. If they do not enter an appearance, they will be represented by Lead Counsel.

11. Any Person falling within the definition of the Class may, upon 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-five (25) days prior to the Settlement Hearing. To be valid, a Request for Exclusion must state all of the information requested in the Notice. All Persons who submit valid and timely Requests for Exclusion in the manner set forth in this paragraph shall have no rights under the Stipulation, shall not share in the distribution of the Net Settlement Fund, and shall not be bound by the Stipulation or the Judgment entered in the Action.

12. Any member of the Class may appear and show cause 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 Distribution should or should not be approved, why attorneys’ fees and expenses should or should not be awarded to counsel for the Lead Plaintiff, or why the expenses of the Lead Plaintiff should or should not be awarded; provided, however, that no

Class Member or any other Person shall be heard or entitled to contest such matters, unless that Person has delivered by hand or sent by First-Class Mail written objections and copies of any papers and briefs such that they are received on or before twenty-five (25) days prior to the Settlement Hearing by Robbins Geller Rudman & Dowd LLP, Cody R. LeJeune, 655 W. Broadway, Suite 1900, San Diego, CA 92101; Weil, Gotshal & Manges LLP, Robert F. Carangelo, 767 Fifth Avenue, New York, New York 10153 and filed said objections, papers, and briefs with the Clerk of the United States District Court for the District of New Jersey on or before twenty-five (25) days prior to the Settlement Hearing. 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 objection to the fairness or adequacy of the proposed settlement as set forth in the Stipulation, to the Plan of Distribution, or to the award of attorneys' fees and expenses to counsel for the Lead Plaintiff or expenses of the Lead Plaintiff, unless otherwise ordered by the Court.

13. 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 Stipulation and/or further order(s) of the Court.

14. All opening briefs and supporting documents in support of the settlement, the Plan of Distribution, and any application by counsel for the Lead Plaintiff for

attorneys' fees and expenses or by the Lead Plaintiff for its expenses shall be filed and served by forty-five (45) days prior to the Settlement Hearing. Replies to any objections shall be filed and served by ten (10) days prior to the Settlement Hearing.

15. Neither the Defendants and their Related Parties nor the Defendants' counsel shall have any responsibility for the Plan of Distribution or any application for attorneys' fees or expenses submitted by the Lead Plaintiff's counsel or Lead Plaintiff, or counsel for any member of the Class, and such matters will be considered separately from the fairness, reasonableness, and adequacy of the settlement.

16. At or after the Settlement Hearing, the Court shall determine whether the Plan of Distribution proposed by Lead Counsel, and any application for attorneys' fees or payment of expenses shall be approved.

17. 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 Stipulation. In the event the settlement is not approved by the Court, or otherwise fails to become effective, neither Lead Plaintiff nor any of its counsel shall have any obligation to repay any amounts incurred and properly disbursed pursuant to ¶¶3.7 or 3.8 of the Stipulation.

18. Neither the Stipulation, 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 any Individual Defendant or Released Person of the truth of any of the allegations in the Action, or of any liability, fault, or wrongdoing of any kind.

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

20. If the Stipulation and the settlement set forth therein is not approved or consummated for any reason whatsoever, the Stipulation and settlement and all proceedings had in connection therewith shall be without prejudice to the rights of the Settling Parties *status quo ante*.

21. Pending final determination of whether the proposed settlement should be approved, neither the Lead Plaintiff nor any Class Member, directly or indirectly, representatively, or in any other capacity, shall commence or prosecute against any of the Defendants, any action or proceeding in any court or tribunal asserting any of the Released Claims.

22. Pending final determination of whether the settlement should be approved, all proceedings are stayed subject to further order of the Court.

IT IS SO ORDERED.

DATED: _____

THE HONORABLE JEROME B. SIMANDLE
UNITED STATES DISTRICT JUDGE

EXHIBIT A-1

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Liaison Counsel

UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY

<i>Grodko v. Central European</i>)	No. 1:12-cv-05530-JBS-KMW
<i>Distribution Corp, et al.,</i>)	
No. 1:12-cv-05530-JBS-KMW	)	<u>CLASS ACTION</u>
<i>Puerto Rico System of Annuities and</i>	)	NOTICE OF PENDENCY AND
<i>Pensions for Teachers v. Central</i>	)	PROPOSED SETTLEMENT OF
<i>European Distribution Corp, et al.,</i>	)	CLASS ACTION
No. 1:12-cv-05531-JBS-KMW	)	EXHIBIT A-1
)	

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 AND RELEASE FORM POSTMARKED ON OR BEFORE _____, 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 _____, 2014, at ____:____.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 damage 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 and Release 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 ¶2 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*, 11-cv-6247 (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 Grodtko 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 and Release forms.

F. Plan of Distribution

1. 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 recover 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 12, 2012 and on or before February 8, 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, 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) (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.

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
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
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
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 Lookback Prices

Date	CEDC Closing Price	CEDC 90-Day Look Back Price
13-Nov-12	\$ 1.61	\$ 1.61
14-Nov-12	\$ 1.61	\$ 1.61
15-Nov-12	\$ 1.70	\$ 1.64
16-Nov-12	\$ 1.66	\$ 1.65
19-Nov-12	\$ 1.86	\$ 1.69
20-Nov-12	\$ 1.85	\$ 1.72
21-Nov-12	\$ 1.84	\$ 1.73
22-Nov-12	\$ 1.82	\$ 1.74
23-Nov-12	\$ 1.89	\$ 1.76
26-Nov-12	\$ 1.87	\$ 1.77
27-Nov-12	\$ 1.90	\$ 1.78
28-Nov-12	\$ 1.79	\$ 1.78
29-Nov-12	\$ 1.78	\$ 1.78
30-Nov-12	\$ 1.69	\$ 1.78
3-Dec-12	\$ 1.76	\$ 1.77
4-Dec-12	\$ 1.76	\$ 1.77
5-Dec-12	\$ 1.74	\$ 1.77
6-Dec-12	\$ 1.77	\$ 1.77
7-Dec-12	\$ 1.74	\$ 1.77
10-Dec-12	\$ 1.70	\$ 1.77
11-Dec-12	\$ 1.70	\$ 1.76
12-Dec-12	\$ 1.69	\$ 1.76

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

8-Feb-13	\$ 1.58	\$ 1.87
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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 and Release form.

If you are a Class Member, you need do nothing (other than timely file a Proof of Claim and Release 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 AND RELEASE FORM THAT ACCOMPANIES THIS NOTICE. The Proof of Claim and Release form must be postmarked on or before _____, 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 and Release 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 _____, 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 counsel been reimbursed 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 Plaintiffs' 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 _____, 2014, by each of the following:

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

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, New York 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 and

Release 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 and Release 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 and Release form and which would not have been incurred but for the obligation to forward the Notice and Proof of Claim and Release form, upon submission of appropriate documentation to the Claims Administrator.

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: _____, 2014 BY ORDER OF THE COURT
UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY

EXHIBIT A-2

COHN LIFLAND PEARLMAN
HERRMANN & KNOPF LLP
PETER S. PEARLMAN
JEFFREY W. HERRMANN
Park 80 West – Plaza One
250 Pehle Avenue, Suite 401
Saddle Brook, NJ 07663
Telephone: 201/845-9600
201/845-9423 (fax)

Liaison Counsel

UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY

<i>Grodko v. Central European</i>	)	No. 1:12-cv-05530-JBS-KMW
<i>Distribution Corp, et al.,</i>)	
No. 1:12-cv-05530-JBS-KMW	)	<u>CLASS ACTION</u>
)	
<i>Puerto Rico System of Annuities and</i>	)	PROOF OF CLAIM
<i>Pensions for Teachers v. Central</i>)	
<i>European Distribution Corp, et al.,</i>	)	EXHIBIT A-2
No. 1:12-cv-05531-JBS-KMW)	
)	

I. GENERAL INSTRUCTIONS

1. To recover as a member of the Class based on your claims in the action entitled *Grodko v. Central European Distribution Corporation, et al.*, No. 1:12-cv-05530-JBS-KMW; *Puerto Rico System of Annuities and Pensions for Teachers v. Central European Distribution Corporation, et al.*, No. 1:12-cv-05531-JBS-KMW (the “Action”), you must complete and, on page __ hereof, sign this Proof of Claim form. If you fail to submit a timely and properly addressed (as set forth in paragraph 3 below) Proof of Claim form, your claim may be rejected and you may not receive any recovery from the Net Settlement Fund created in connection with the proposed settlement.

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

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

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

If you are NOT a member of the Class (as defined in the Notice of Pendency and Proposed Settlement of Class Action (“Notice”)) DO NOT submit a Proof of Claim form.

4. If you are a member of the Class and you have not timely requested exclusion in connection with the proposed settlement, you are bound by the terms of any judgment entered in the Action, including the releases provided therein, **WHETHER OR NOT YOU SUBMIT A PROOF OF CLAIM FORM.**

II. CLAIMANT IDENTIFICATION

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

Use Part I of this form entitled “Claimant Identification” to identify each purchaser of record (“nominee”), if different from the beneficial purchaser of the CEDC common stock that forms the basis of this claim. **THIS CLAIM MUST BE FILED BY THE ACTUAL BENEFICIAL PURCHASER(S) OR ACQUIRER(S) OR THE LEGAL REPRESENTATIVE OF SUCH PURCHASER(S) OR ACQUIRER(S) OF THE CEDC COMMON STOCK UPON WHICH THIS CLAIM IS BASED.**

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

III. CLAIM FORM

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

On the schedules, provide all of the requested information with respect to *all* of your purchases or acquisitions of CEDC common stock that took place at any time from March 1, 2010 through February 11, 2013, inclusive (the “Class Period”), whether such transactions resulted in a profit or a loss. You must also provide all of the requested information with respect to *all* of the CEDC common stock you held at the close of trading on February 26, 2010, November 12, 2012 and February 11, 2013. Failure to report all such transactions may result in the rejection of your claim.

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.

The date of covering a “short sale” is deemed to be the date of purchase of CEDC common stock. The date of a “short sale” is deemed to be the date of sale of CEDC common stock.

Copies of broker confirmations or other documentation of your transactions in CEDC common stock should be attached to your claim. Failure to provide this documentation could delay verification of your claim or result in rejection of your claim.

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 form whether or not they also submit electronic copies. If you wish to file your claim electronically, you must contact the Claims Administrator at 1-877-330-1577 or visit their website at www.cedcsecuritiessettlement.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
DISTRICT OF NEW JERSEY

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

PROOF OF CLAIM

Must Be Postmarked No Later Than:
_____, 2014

Please Type or Print

PART I: CLAIMANT IDENTIFICATION

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

Street Address

City

State or Province

Zip Code or Postal Code

Country

Social Security Number or
Taxpayer Identification Number

Individual
Corporation/Other

Area Code

Telephone Number (work)

Area Code

Telephone Number (home)

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

PART II: SCHEDULE OF TRANSACTIONS IN CEDC COMMON STOCK

Number of shares of CEDC common stock held at the close of trading on February 26, 2010: _____

Purchases or acquisitions of CEDC common stock (on or after March 1, 2010 through and including November 12, 2012):

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. _____

Sales of CEDC common stock (on or after March 1, 2010 through and including February 11, 2013):

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

Number of shares of CEDC common stock held at the close of trading on November 12, 2012: _____

Number of shares of CEDC common stock held at the close of trading on February 11, 2013: _____

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

IV. SUBMISSION TO JURISDICTION OF COURT AND ACKNOWLEDGMENTS

I (We) submit this Proof of Claim under the terms of the Settlement Agreement described in the Notice. I (We) also submit to the jurisdiction of the United States District Court for the District of New Jersey, with respect to my (our) claim as a Class Member and for purposes of enforcing the releases provided for in any judgment entered in the Action. I (We) further acknowledge that I am (we are) bound by and subject to the terms of any judgment that is entered in the Action, including the release of all Released Claims with respect to each and all of the Released Persons as set forth in the Judgment. I (We) agree to furnish additional information to the Claims Administrator to support this claim (including transactions in other CEDC securities) if requested to do so. I (We) have not submitted any other claim covering the same purchases, acquisitions or sales of CEDC common stock during the Class Period and know of no other person having done so on my (our) behalf.

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 the judgment entered in the Action or any other part or portion thereof.

I (We) hereby warrant and represent that I (we) have included information about all of my (our) transactions in CEDC common stock that are the subject of this claim, and that occurred during the Class Period as well as the opening and closing positions in such securities held by me (us) on the dates requested in this claim form.

I declare under penalty of perjury under the laws of the United States of America that all of the foregoing information supplied on this Proof of Claim form 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, Acquirer
Executor or Administrator)

**ACCURATE CLAIMS PROCESSING TAKES A
SIGNIFICANT AMOUNT OF TIME.
THANK YOU FOR YOUR PATIENCE.**

Reminder Checklist:

1. Please sign the above declaration.
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.

EXHIBIT A-3

COHN LIFLAND PEARLMAN
HERRMANN & KNOPF LLP
PETER S. PEARLMAN
JEFFREY W. HERRMANN
Park 80 West – Plaza One
250 Pehle Avenue, Suite 401
Saddle Brook, NJ 07663
Telephone: 201/845-9600
201/845-9423 (fax)

Liaison Counsel

UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY

<i>Grodko v. Central European</i>	)	No. 1:12-cv-05530-JBS-KMW
<i>Distribution Corp, et al.,</i>)	
No. 1:12-cv-05530-JBS-KMW	)	<u>CLASS ACTION</u>
)	
<i>Puerto Rico System of Annuities and</i>	)	SUMMARY NOTICE
<i>Pensions for Teachers v. Central</i>)	
<i>European Distribution Corp, et al.,</i>	)	EXHIBIT A-3
No. 1:12-cv-05531-JBS-KMW)	
)	

TO: ALL PERSONS WHO PURCHASED OR OTHERWISE ACQUIRED THE COMMON STOCK OF CENTRAL EUROPEAN DISTRIBUTION CORP. ("CEDC") ON MARCH 1, 2010 THROUGH NOVEMBER 13, 2012, INCLUSIVE

YOU ARE HEREBY NOTIFIED, pursuant to an Order of the United States District Court for the District of New Jersey, that a hearing will be held on _____, 2014, at __: __.m., before the Honorable Jerome B. Simandle, Chief United States District Judge, at the Mitchell H. Cohen Building & U.S. Courthouse, Courtroom 4A, 400 Cooper Street, Camden, NJ 08101, for the purpose of determining: (1) whether the proposed settlement of the claims in the Action for the principal amount of \$10,000,000.00 should be approved by the Court as fair, reasonable, and adequate; (2) whether a Final Judgment and Order of Dismissal with Prejudice should be entered by the Court dismissing the Action with prejudice; (3) whether the Plan of Distribution is fair, reasonable, and adequate and should be approved; and (4) whether the application of Lead Counsel for the payment of attorneys' fees and expenses and Lead Plaintiff's expenses in connection with this Action should be approved.

IF YOU PURCHASED OR ACQUIRED ANY OF THE COMMON STOCK OF CEDC DURING THE PERIOD FROM MARCH 1, 2010 TO NOVEMBER 13, 2012, INCLUSIVE, YOUR RIGHTS MAY BE AFFECTED BY THE SETTLEMENT OF THIS ACTION, INCLUDING THE RELEASE AND EXTINGUISHMENT OF CLAIMS YOU MAY POSSESS RELATING TO YOUR PURCHASE OR

ACQUISITION OF CEDC COMMON STOCK DURING THE CLASS PERIOD. If you have not received a detailed Notice of Pendency and Proposed Settlement of Class Action (“Notice”) and a copy of the Proof of Claim form, you may obtain copies by writing to *CEDC Securities Litigation*, Claims Administrator, c/o Gilardi & Co. LLC, P.O. Box 990, Corte Madera, CA 94976-0990, or on the internet at www.cedcsecuritiessettlement.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 *postmarked no later than* _____, establishing that you are entitled to recovery.

If you purchased or otherwise acquired CEDC common stock and you desire to be excluded from the Class, you must submit a request for exclusion postmarked no later than _____, 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 Settlement Agreement.

Any objection to the settlement, the Plan of Distribution, or the request for attorneys’ fees and expenses must be received by each of the following recipients *no later than* _____:

CLERK OF THE COURT
UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY
Mitchell H. Cohen Federal Building & U.S. Courthouse
400 Cooper Street
Camden, NJ 08101

Lead Counsel:

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

Individual Defendants' Counsel:

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

**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 addresses listed above.

DATED: _____

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

EXHIBIT B

COHN LIFLAND PEARLMAN
HERRMANN & KNOPF LLP
PETER S. PEARLMAN
JEFFREY W. HERRMANN
Park 80 West – Plaza One
250 Pehle Avenue, Suite 401
Saddle Brook, NJ 07663
Telephone: 201/845-9600
201/845-9423 (fax)

Liaison Counsel

UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY

<i>Grodko v. Central European</i>	)	No. 1:12-cv-05530-JBS-KMW
<i>Distribution Corp, et al.,</i>)	
No. 1:12-cv-05530-JBS-KMW	)	<u>CLASS ACTION</u>
)	
<i>Puerto Rico System of Annuities and</i>	)	[PROPOSED] FINAL JUDGMENT
<i>Pensions for Teachers v. Central</i>	)	AND ORDER OF DISMISSAL WITH
<i>European Distribution Corp, et al.,</i>	)	PREJUDICE
No. 1:12-cv-05531-JBS-KMW)	
	)	EXHIBIT B
)	

This matter came before the Court for hearing pursuant to the Order of this Court, dated _____, 2014, on the application of Lead Plaintiff for approval of the settlement set forth in the Settlement Agreement dated as of April 28, 2014 (the “Stipulation”). Due and adequate notice having been given to the Class as required in the Court’s 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 Stipulation, and all capitalized terms used, but not defined herein, shall have the same meanings as in the Stipulation.

2. This Court has jurisdiction over the subject matter of the Action and over all parties to the Action, including all members of the Class.

3. Pursuant to Rule 23 of the Federal Rules of Civil Procedure, this Court finally certifies this Action as a class action defined as 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.

4. With respect to the Class, the Court finds and concludes that the requirements of Federal Rules of Civil Procedure 23(a) and 23(b)(3) are satisfied as: (a) the members of the Class are so numerous that joinder of all Class Members in the Action is impracticable; (b) there are questions of law and fact common to the Class that predominate over any individual questions; (c) the claims of the Lead Plaintiff are typical of the claims of the Class; (d) the Lead Plaintiff and its counsel have fairly and adequately represented and protected the interests of all the Class Members; and (e) a class action is superior to other available methods for the fair and efficient adjudication of the controversy, considering: (i) the interests of the members of the Class in individually controlling the prosecution of the separate actions, (ii) the extent and nature of any Action concerning the controversy already commenced by members of the Class, (iii) the desirability or undesirability of continuing the Action of these claims in this particular forum, and (iv) the difficulties likely to be encountered in the management of the Action.

5. Pursuant to Federal Rule of Civil Procedure 23, this Court hereby approves the settlement set forth in the Stipulation and finds that the settlement is, in

all respects, fair, reasonable, and adequate to the Class. The Court further finds that the settlement set forth in the Stipulation is the result of arm's-length negotiations between experienced counsel representing the interests of the Settling Parties. Accordingly, the stipulation and the settlement embodied in the Stipulation are hereby finally approved in all respects. The Settling Parties are hereby directed to perform its terms.

6. Except as to any individual claim of those Persons (identified in Exhibit 1 attached hereto) who have validly and timely requested exclusion from the Class, the Action and all claims contained therein, as well as all of the Released Claims, are hereby dismissed with prejudice. The Settling Parties are to bear their own costs, except as otherwise provided in the Stipulation.

7. Upon the Effective Date, Lead Plaintiff and each of the Class Members shall be deemed to have, and by operation of this Judgment shall have, fully, finally and forever released, relinquished and discharged all Released Claims (including Unknown Claims) against the Released Persons, whether or not such Class Member executes and delivers a Proof of Claim.

8. Upon the Effective Date, Lead Plaintiff and all Class Members and anyone claiming through or on behalf of any of them, are forever barred and enjoined from filing, pursuing, commencing, instituting or continuing to prosecute any action or any proceeding in any court of law or equity, arbitration tribunal,

administrative forum, or other forum of any kind (whether within the United States or not) asserting any of the Released Claims (including Unknown Claims) against any of the Released Persons.

9. Upon the Effective Date, each of the Released Persons shall be deemed to have, and by operation of the Judgment shall have, fully, finally, and forever released, relinquished and discharged the Lead Plaintiff, Class Members (except any Class Member who timely and validly requests exclusion from the Class), and Lead Plaintiff's 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 claims to enforce the settlement and the terms of the Stipulation.

10. Only those Class Members filing valid and timely Proofs of Claim shall be entitled to participate in the settlement and receive a distribution from the Settlement Fund. All Class Members shall, as of the Effective Date, be bound by the releases set forth herein whether or not they submit a valid and timely Proof of Claim.

11. In accordance with 15 U.S.C. §78u-4(f)(7)(A), upon the Effective Date, except as provided in paragraph 12, any and all Persons are permanently barred and enjoined, to the fullest extent permitted by law, from commencing, prosecuting, or asserting any and all claims for contribution or indemnity (or any

other claim when the alleged injury to that Person is that Person's actual or threatened liability to the Class or a Class Member in the Action) based upon, relating to, or arising out of the Released Claims, against each and every one of the Released Persons, whether arising under state, federal, common, or foreign law, as claims, cross-claims, counterclaims, or third-party claims, in this Action or a separate action, in this Court, any federal or state court, or in any other court, arbitration proceeding, administrative proceeding, or other forum, whether in the United States or elsewhere; and, except as provided in paragraph 12, the Released Persons are permanently barred and enjoined, to the fullest extent permitted by law, from commencing, prosecuting, or asserting any and all claims for contribution or indemnity (or any other claim when the alleged injury to the Released Person is that Released Person's actual or threatened liability to the Class or a Class Member in the Action) based upon, relating to, or arising out of the Released Claims, against any Person, other than a Person whose liability to the Class has been extinguished pursuant to the Settlement and the Judgment, whether arising under state, federal, common, or foreign law, as claims, cross-claims, counterclaims, or third-party claims, in this Action or a separate action, in this Court, any federal or state court, or in any other court, arbitration proceeding, administrative proceeding, or other forum, whether in the United States or elsewhere.

12. Notwithstanding the Bar Order in paragraph 11, nothing in this Judgment shall: (i) bar any action by any of the Settling Parties to enforce or effectuate the terms of this Stipulation, the Settlement, the Preliminary Approval Order, or the Judgment; or (ii) bar any action by the Released Persons to enforce the protections from liability granted to them under this Stipulation; or (iii) bar the Released Persons from asserting any claims against their own insurers.

13. Upon the Effective Date, the Plaintiffs: (i) have and shall be deemed to have fully, finally, and forever waived, released, relinquished, discharged, and dismissed each and every one of the Released Claims against each and every one of the Released Persons; (ii) have and be deemed to have covenanted not to sue, directly or indirectly, any of the Released Persons with respect to any and all of the Released Claims; and (iii) shall forever be barred and enjoined from directly or indirectly filing, commencing, instituting, prosecuting, maintaining, intervening in, participating in (as a class member or otherwise), or receiving any benefits or other relief, from any action, suit, cause of action, arbitration, claim, demand, or other proceeding in any jurisdiction, whether in the United States or elsewhere, on their own behalf or in a representative capacity, that is based upon, arises out of, or relates to any and all of the Released Claims against any and all of the Released Persons or any other Person who may seek to claim any form of contribution or indemnity from any Released Person. All Released Persons shall be bound by the terms of the

releases set forth in the Stipulation and this Judgment, whether or not they submit a valid and timely Proof of Claim, take any other action to obtain recovery from the Settlement Fund, or seek, or actually receive a distribution from the Net Settlement Fund.

14. The distribution of the Notice of Pendency and Proposed Settlement of Class Action and the publication of the Summary Notice as provided for in the Order Preliminarily Approving Settlement and Providing for Notice 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 notice 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 Stipulation, to all Persons entitled to such notice, and said notice fully satisfied the requirements of Federal Rule of Civil Procedure 23, §21D(a)(7) of the Securities Exchange Act of 1934, 15 U.S.C. §78u-4(a)(7) as amended by the Private Securities Action Reform Act of 1995, due process, and any other applicable law.

15. Any plan of distribution submitted by Lead Counsel or any order entered regarding the attorneys' fee and expense application shall in no way disturb or affect this Final Judgment and Order of Dismissal with Prejudice and shall be considered separate from this Final Judgment.

16. Neither the Stipulation nor the settlement contained therein, nor any act performed or document executed pursuant to or in furtherance of the Stipulation or the settlement: (a) is or may be deemed to be or may be used as an admission of, or evidence of, the validity of any Released Claim, or of any wrongdoing or liability of the Defendants, the Released Persons, or each or any of them; (b) is or may be deemed to be or may be used as an admission of, or evidence of, any fault or omission of the Defendants, the Released Persons, or each or any of them in any civil, criminal or administrative proceeding in any court, administrative agency or other tribunal; (c) is or may be deemed to be or shall be used, offered or received against the Defendants, the Released Persons, or each or any of them, as an admission, concession or evidence of, the validity or invalidity of any Released Claims, the infirmity or strength of any claims raised in the Action or the availability or lack of availability of meritorious defenses to the claims raised in the Action; and/or (d) is or may be deemed to be or shall be construed as or received in evidence as an admission or concession by or against the Settling Parties, the Released Persons, or each or any of them, that any of the Lead Plaintiff's claims are with or without merit, that damages recoverable under the Lead Plaintiff's operative complaint would have been greater or less than the Settlement Fund or that the consideration to be given hereunder represents an amount equal to, less than or greater than that amount that could have or would have been recovered after trial.

The Stipulation may be filed in an action to enforce or interpret the terms of the Stipulation, the settlement contained therein, and any other documents executed in connection with the performance of the agreements embodied therein. Defendants and/or the other Released Persons may file the Stipulation and/or this Final Judgment and Order of Dismissal with Prejudice in any action that may be brought against them in order to support a defense or counterclaim based on the principles of *res judicata*, collateral estoppel, full faith and credit, release, good faith settlement, judgment bar or reduction, or any other theory of claim preclusion or issue preclusion or similar defense or counterclaim.

17. Without affecting the finality of this Final Judgment and Order of Dismissal with Prejudice 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) determination of applications for attorneys' fees and expenses in the Action; and (d) all parties hereto for the purpose of construing, enforcing and administering the Stipulation.

18. The Court finds that during the course of the Action, the Settling Parties and their respective counsel at all times complied with the requirements of Federal Rule of Civil Procedure 11. In the event that the settlement does not become effective in accordance with the terms of the Stipulation or the Effective Date does

not occur, or in the event that the Settlement Fund, or any portion thereof, is returned to the Defendants, then this Final Judgment and Order of Dismissal with Prejudice shall be rendered null and void to the extent provided by and in accordance with the Stipulation and shall be vacated and, in such event, all orders entered and releases delivered in connection herewith shall be null and void to the extent provided by and in accordance with the Stipulation.

IT IS SO ORDERED.

DATED: _____

THE HONORABLE JEROME B. SIMANDLE
UNITED STATES DISTRICT JUDGE