

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

In re: CSO HEDGE FUND LITIGATION

Case No. 12-CV-7717 (GHW)

ECF CASE

FINAL ORDER AND JUDGMENT

WHEREAS:

A. As of August 10, 2015, Lead Plaintiffs Dr. David Beach and Christopher Kelly, for themselves and on behalf of all persons who are Members of the Class (collectively, the “Plaintiffs” or “Class Representatives”), on the one hand, and Defendants Citigroup Inc. (“Citigroup”) and Citigroup Alternative Investments LLC (“CAI”) (collectively, “Defendants”) on the other hand, entered into an Agreement of Settlement (the “Agreement”) in the above-titled litigation (the “Action”), which is subject to review under Rule 23 of the Federal Rules of Civil Procedure and which, together with the exhibits thereto, sets forth the terms and conditions of the proposed settlement of the claims alleged in the Third Amended Class Action Complaint (the “Complaint”) on the merits and with prejudice (the “Settlement”).

B. Pursuant to the ORDER PRELIMINARILY APPROVING SETTLEMENT, APPROVING NOTICE, AND GRANTING MOTION FOR CLASS CERTIFICATION AND APPOINTMENT OF CLASS COUNSEL, entered August 19, 2015 (the “Preliminary Approval Order”), the Court scheduled a hearing for December 17, 2015 (the “Settlement Hearing”) to, among other things: (i) determine whether the proposed Settlement of the Action on the terms and conditions provided for in the Agreement is fair, reasonable and adequate, and should be approved by the Court; and (ii) determine whether a judgment as provided for in the Agreement should be entered.

C. The Court ordered that the Notice of (i) Proposed Class Action Settlement and Plan of Allocation; (ii) Settlement Hearing; and (iii) a Verification and Release Form (“Verification”), substantially in the forms attached to the Settlement Agreement as Exhibits A and C, respectively, be mailed by first-class mail, postage prepaid, within twenty-eight (28) calendar days of the entry of the Preliminary Approval Order (the “Notice Date”), to all Putative Class Members who can be identified with reasonable effort by the Claims Administrator and that a Summary Notice (the “Summary Notice”), substantially in the form attached to the Settlement Agreement as Exhibit B, be published in Investors Business Daily and transmitted over PR Newswire within fourteen (14) calendar days of the Notice Date.

D. The Notice and the Summary Notice advised potential Members of the Settlement Class of the date, time, place, and purpose of the Settlement Hearing. The Notice further advised that any objection to the Settlement was required to be filed with the Court and served on counsel for the Settling Parties such that it would be received November 25, 2015.

E. The provisions of the Preliminary Approval Order as to notice were complied with.

F. On November 4, 2015, Lead Plaintiffs moved for final approval of the Settlement, as set forth in the Preliminary Approval Order. The Settlement Hearing was duly held before this Court on December 17, 2015, at which time all interested Persons were afforded the opportunity to be heard.

G. This Court has duly considered Lead Plaintiffs’ motion, the affidavits, declarations, memoranda of law submitted in support thereof, the Agreement, and all of the submissions and arguments presented with respect to the proposed Settlement.

NOW, THEREFORE, after due deliberation, IT IS ORDERED, ADJUDGED AND DECREED that:

1. This Final Order and Judgment (“Judgment”) incorporates by reference the definitions in the Agreement and all capitalized terms used in this Judgment that are not otherwise defined herein shall have the same meanings as set forth therein.

2. This Court has jurisdiction over the subject matter of the Action and over all parties to the Action, including all Members of the Settlement Classes.

3. The Court hereby re-affirms its determinations in the Preliminary Approval Order and finally certifies, for the purposes of the Settlement only, pursuant to Rules 23(a) and (b)(3) of the Federal Rules of Civil Procedure, the Settlement Class consisting as:

- (a) All persons or entities who purchased, held, or otherwise acquired (directly or indirectly) any class of shares in CSO US Ltd. or CSO Ltd.
- (b) The Class shall exclude Defendants Citigroup and CAI and their affiliates and successors, to the extent they invested proprietary capital, as well as Former Defendants, to the extent they or their spouse or any entity personally controlled by them invested in the CSO Fund; this exclusion is not intended to exclude investments made and/or held by Defendants or their affiliates as nominees for outside investors.
- (c) The Class shall also exclude any person who served as a member of the Board of Directors of the CSO Fund or the Board of Directors of Former Defendant CSO Partners Ltd., or any entity personally controlled by that person.

- (d) The Class shall also exclude any persons who have either (i) released claims related to or arising from the subject matter of this dispute against Defendants in a settlement, or (ii) have secured a final judgment from an arbitrator or a court that would preclude further litigation.
- (e) The Class shall also exclude persons who affirmatively exclude themselves from the Class pursuant to the procedures described in the Notice.

4. Pursuant to Rule 23 of the Federal Rules of Civil Procedure, and for the purposes of the Settlement only, the Court hereby re-affirms its determinations in the Preliminary Approval Order that: (i) Lead Plaintiffs Beach and Kelly are certified as Class Representatives for the Class; and (ii) the law firms of Zamansky LLC and Kaplan Fox & Kilsheimer LLP are appointed Class Counsel.

5. The notification provided for and given to the Class: (i) was in compliance with the Preliminary Approval Order; (ii) constituted the best notice practicable under the circumstances; (iii) constituted notice that was reasonably calculated to apprise Members of the Settlement Classes of the effect of the Settlement, of the proposed Plan of Allocation, of Lead Counsel's request(s) for awards of attorney's fees and payment(s) of expenses incurred in connection with the prosecution of the Action, of Members of the Class's right to object to the Settlement, the Plan of Allocation, and/or Lead Counsel's request(s) for awards of attorney's fees and payment(s) of expenses incurred in connection with the prosecution of the Action, and of their right to appear at the Settlement Hearing; (iv) constituted due, adequate, and sufficient notice to all Persons entitled to receive notice of the proposed Settlement; and (v) satisfied the notice requirements of Rule 23 of the Federal Rules of Civil Procedure, the United States Constitution (including the Due Process Clause), and all other applicable law and rules.

6. The Court is unaware of any objections to the Settlement submitted pursuant to Rule 23(e)(5) of the Federal Rules of Civil Procedure.

7. In light of the benefits to the Class, the complexity, expense and possible duration of further litigation of the Action, the risks of establishing liability and damages, and the costs of continued litigation, the Court hereby fully and finally approves the Settlement as set forth in the Agreement in all respects, and finds that the Settlement is, in all respects fair, reasonable and adequate, and in the best interests of Lead Plaintiffs and the Members of the Class. This Court further finds that the Settlement set forth in the Agreement is the result of arm's-length negotiations between experienced counsel representing the interests of the Parties. The Settlement shall be consummated in accordance with the terms and provisions of the Agreement.

8. The Action and the Complaint are hereby dismissed in their entirety, with prejudice, and without costs to any Party, except as otherwise provided in the Agreement.

9. Upon the Effective Date, Lead Plaintiffs and each and every other Member of the Class, on behalf of themselves and each of their respective heirs, executors, trustees, administrators, predecessors, successors, and assigns, shall be deemed to have fully, finally, and forever waived, released, discharged, and dismissed each and every one of the Settled Class Claims as against each and every one of the Released Parties and shall forever be BARRED, ENJOINED AND RESTRAINED from commencing, instituting, prosecuting or maintaining any and all such Settled Class Claims against any and all of the Released Parties.

10. Any and all claims for contribution or indemnity (and related claims where the injury to the Person bringing the claim is their liability to the Settlement Class) arising out of the claims or allegations of the Action or any Released Class Claim (i) by any Person against any of the Released Parties, and (ii) by any of the Released Parties against any Person, other than a Person whose liability has been extinguished by the Settlement, are hereby permanently barred,

extinguished, discharged, satisfied, and unenforceable; provided, however, that nothing in this paragraph shall release or alter any rights to indemnity or contribution by or among the Defendants.

11. Each Member of the Settlement Class, whether or not such Person executes and delivers a Verification of Claim and Release Form, is bound by this Judgment, including, without limitation, the releases of claims as set forth above.

12. This Judgment and the Agreement, whether or not consummated, and any discussions, negotiations, proceedings or agreements relating to the Agreement, 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 Parties, or their respective counsel, for any purpose other than in an action to enforce the terms hereof, and in particular:

- (a) do not constitute, and shall not be offered or received against or to the prejudice of Defendants as evidence of, or construed as, or deemed to be evidence of any presumption, concession, or admission by them with respect to the truth of any allegation by Plaintiffs and the Settlement Class, or the validity of any claim that has been or could have been asserted in the Action or in any litigation, including but not limited to the Released Class Claims, or of any liability, damages, negligence, fault or wrongdoing of Defendants;
- (b) do not constitute, and shall not be offered or received against or to the prejudice of Defendants as evidence of a presumption, concession, or admission of any fault, misrepresentation, or omission with respect to any statement or written document approved or made by them, or against or

to the prejudice of Plaintiffs or any other Members of the Settlement Class as evidence of any infirmity in the claims of Plaintiffs or the other Members of the Settlement Class;

- (c) do not constitute, and shall not be offered or received against or to the prejudice of Defendants, Plaintiffs, any other member of the Settlement Class, or their respective counsel, as evidence of a presumption, concession, or admission with respect to any liability, damages, negligence, fault, infirmity or wrongdoing, or in any way referred to for any other reason against or to the prejudice of any of the Defendants, Plaintiffs, other members of the Settlement Classes, or their respective counsel, in any other civil, criminal or administrative action or proceeding, other than such proceedings as may be necessary to effectuate the provisions of the Settlement;
- (d) do not constitute, and shall not be construed against Defendants, Plaintiffs, or any other Member of the Settlement Class, as an admission or concession that the consideration to be given hereunder represents the amount which could be or would have been recovered after trial; and
- (e) do not constitute, and shall not be construed as or received in evidence as an admission, concession, or presumption against Plaintiffs or any other Members of the Settlement Class that any of their claims are without merit or infirm or that damages recoverable under the Complaint would not have exceeded the Settlement Amount.

13. The administration of the Settlement, and the decision of all disputed questions of law and fact with respect to the validity of any claim or right of any Person to participate in the distribution of the Net Settlement Fund, shall remain under the authority of this Court.

14. In the event that the Settlement does not become effective in accordance with the terms of the Agreement, then this Judgment shall be rendered null and void to the extent provided by and in accordance with the Agreement and shall be vacated; and in such event, all orders entered and releases delivered in connection herewith shall be null and void to the extent provided by and in accordance with the Agreement.

15. Without further order of the Court, the Parties may agree to reasonable extensions of time to carry out any of the provisions of the Agreement as circumstances warrant.

16. The Parties are hereby directed to consummate the Agreement and to perform its terms.

17. A separate order shall be entered regarding Lead Counsel's application for attorneys' fees and payment of expenses as allowed by the Court. A separate order shall be entered regarding the proposed Plan of Allocation for the Net Settlement Fund. Such orders shall in no way disturb or affect this Judgment and shall be considered separate from this Judgment.

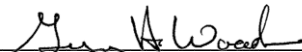
18. Without affecting the finality of this Judgment in any way, this Court hereby retains continuing jurisdiction over: (i) implementation of the Agreement and Settlement; (ii) the allowance, disallowance or adjustment of any Member of the Settlement Class's claim on equitable grounds and any award or distribution of the Settlement Fund; (iii) disposition of the Settlement Fund; (iv) hearing and determining applications for attorneys' fees, costs, interest and payment of expenses in the Action; (v) all Parties for the purpose of construing, enforcing and administering

the Agreement, Settlement and this Judgment; and (vi) other matters related or ancillary to the foregoing. There is no just reason for delay in the entry of this Judgment and immediate entry by the Clerk of the Court is expressly directed.

The Clerk of Court is directed to close this case.

SO ORDERED.

Dated: January 28, 2016
New York, New York



GREGORY H. WOODS
United States District Judge