

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF OHIO  
WESTERN DIVISION  
(AT CINCINNATI)

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IN RE ATRICURE, INC.  
SECURITIES LITIGATION

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: Civil Action No. 1:08-cv-00867  
: (Judge Michael R. Barrett)  
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**ORDER AND FINAL JUDGMENT**

On the 7th day of October, 2010, a hearing having been held before this Court to determine: (1) whether the terms and conditions of the Stipulation and Agreement of Settlement dated July 30th, 2010 (the “Stipulation“) are fair, reasonable, and adequate for the settlement of all claims asserted by the Class against the Defendants in the Complaint now pending in this Court under the above caption, including the release of the Defendants and the Released Parties, and should be approved; (2) whether judgment should be entered dismissing the Complaint on the merits and with prejudice in favor of the Defendants and as against all persons or entities who are members of the Class herein who have not requested exclusion there from; (3) whether to approve the Plan of Allocation as a fair and reasonable method to allocate the settlement proceeds among the members of the Class; and (4) whether and in what amount to award Plaintiffs’ Lead Counsel fees and reimbursement of expenses.

The Court having considered all matters submitted to it at the hearing and otherwise; and it appearing that a notice of the hearing substantially in the form approved by the Court was mailed to all persons or entities reasonably identifiable, who purchased shares of common stock of AtriCure Inc. (“AtriCure“) during the period between May 10, 2007 and October 31, 2008, inclusive (the “Class Period“), except those persons or entities excluded from the definition of the Class, as shown by the records of AtriCure’s transfer agent, at the respective addresses set

forth in such records, and that a summary notice of the hearing substantially in the form approved by the Court was published in the national edition of *Investors' Business Daily*, *Cincinnati Enquirer* and distributed on the *PRNewswire* pursuant to the specifications of the Court; and the Court having considered and determined the fairness and reasonableness of the award of attorneys' fees and expenses requested; and all capitalized terms used herein having the meanings as set forth and defined in the Stipulation;

NOW, THEREFORE, IT IS HEREBY ORDERED THAT:

1. The Court has jurisdiction over the subject matter of the Action, the Lead Plaintiffs, all Class Members, and the Defendants.

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

3. Pursuant to Rule 23 of the Federal Rules of Civil Procedure, and solely for the purposes of the Settlement, this Court hereby finally certifies this Action as a class action on behalf of all persons who purchased shares of common stock of AtriCure Inc. ("AtriCure") during the period between May 10, 2007 and October 31, 2008, inclusive. Excluded from the

Class are the Defendants, other directors and officers of AtriCure, members of their immediate families and their legal representatives, heirs, successors or assigns and any entity in which Defendants have or had a controlling interest. No Class members have validly and timely requested exclusion from the Class.

4. Pursuant to Rule 23 of the Federal Rules of Civil Procedure, and for purposes of settlement only, Lead Plaintiffs are certified as class representatives and their selection of Co-Lead Counsel, Strauss & Troy LPA, Glancy Binkow & Goldberg LLP, and Saxena White P.A., is approved.

5. Notice of the pendency of this Action as a class action and of the proposed Settlement was given to all Class Members who could be identified with reasonable effort. The form and method of notifying the Class of the pendency of the action as a class action and of the terms and conditions of the proposed Settlement met the requirements of Rule 23 of the Federal Rules of Civil Procedure, Section 21D(a)(7) of the Securities Exchange Act of 1934, 15 U.S.C. 78u-4(a)(7) as amended by the Private Securities Litigation Reform Act of 1995, due process, and any other applicable law, constituted the best notice practicable under the circumstances, and constituted due and sufficient notice to all persons and entities entitled thereto.

6. The Settlement is approved as fair, reasonable, and adequate, and the Class Members and the parties are directed to consummate the Settlement in accordance with the terms and provisions of the Stipulation.

7. The Court finds that the Complaint was filed on a good faith basis in accordance with the Private Securities Litigation Reform Act and Rule 11 of the Federal Rules of Civil Procedure based upon all publicly available information, is hereby dismissed with prejudice and without costs, except as provided in the Stipulation, as against the Defendants.

8. Upon the Effective Date, Lead Plaintiffs and each member of the Class, on behalf of themselves, their heirs, executors, administrators, successors and assigns, are hereby permanently barred and enjoined from instituting, commencing or prosecuting the Settled Claims against the Released Defendants, whether or not such Class Members execute and deliver a Proof of Claim and Release Form. The Settled Claims are hereby compromised, settled, released, discharged and dismissed as against the Released Defendants on the merits and with prejudice by virtue of the proceedings herein and this Order and Final Judgment.

9. Defendants and the successors and assigns of any of them, are hereby permanently barred and enjoined from instituting, commencing or prosecuting the Settled Defendants' Claims. The Settled Defendants' Claims of all the Released Defendants are hereby compromised, settled, released, discharged and dismissed on the merits and with prejudice by virtue of the proceedings herein and this Order and Final Judgment.

10. Pursuant to 15 U.S.C. §78u-4(f)(7)(A) of the Private Securities Litigation Reform Act ("PSLRA"), all claims for contribution and/or indemnity by any person or entity, whether arising under state, federal or common law, based upon, arising out of, relating to, or in connection with the Settled Claims of the Class or any Class Member are barred to the fullest extent provided by the PSLRA (a) against the Released Defendants; and (b) by the Released Defendants against any person or entity other than any person or entity whose liability to the Class has been extinguished pursuant to the Stipulation and this Order and Final Judgment.

11. Neither this Order and Final Judgment, the Stipulation, nor any of its terms and provisions, nor any of the negotiations or proceedings connected with it, nor any of the documents or statements referred to therein shall be:

(a) described as, or construed as, offered or received against the Released Defendants as evidence of and/or deemed to be evidence of any presumption, concession, or admission by any of the Released Defendants with respect to the truth of any fact alleged by any of the plaintiffs or the validity of any claim that has been or could have been asserted in the Action or in any litigation, or the deficiency of any defense that has been or could have been asserted in the Action or in any litigation, or of any liability, negligence, fault, or wrongdoing of the Released Defendants;

(b) described as, construed as, offered or received against the Released Defendants as evidence of and/or deemed to be evidence of a presumption, concession or admission of any fault, breach of duty, wrongful act, misrepresentation or omission with respect to any statement or written document approved or made by any Released Defendant;

(c) described as, construed as against the Released Defendants or concession or admission, fault or wrongdoing, or in any way referred to for any other reason as against any of the Defendants, in any other civil, criminal or administrative action or proceeding; provided, however, that Defendants may refer to it to effectuate the provisions of the Settlement or to effectuate the liability protection granted them hereunder;

(d) described as or construed against the Released Defendants as an admission or concession that the consideration to be given hereunder represents the amount which could be or would have been recovered after trial; or

(e) construed as or received in evidence as an admission, concession or presumption against Lead Plaintiffs or any of the Class Members that any of their claims are without merit, or that any defenses asserted by the Released Defendants have any merit, or that damages recoverable under the Complaint would not have exceeded the Gross Settlement Fund.

12. The Court finds that all parties and their counsel have complied with each requirement of Rule 11 of the Federal Rules of Civil Procedure as to all proceedings herein.

13. Plaintiffs' Lead Counsel are hereby awarded \$825,000.00 in attorneys' fees, which sum the Court finds to be fair and reasonable, and \$33,474.77 in reimbursement of expenses, which amounts shall be paid within three (3) days after the Effective Date of the Settlement to Plaintiffs' Lead Counsel from the Gross Settlement Fund. The award of attorneys' fees shall be allocated among Plaintiffs' Lead Counsel in a fashion which, in the opinion of Plaintiffs' Lead Counsel, fairly compensates Plaintiffs' Lead Counsel for their respective contributions in the prosecution of the Action.

14. In making this award of attorneys' fees and reimbursement of expenses to be paid from the Gross Settlement Fund, the Court has considered and found that:

(a) the settlement has created a fund of \$2.75 million in cash that is already on deposit, plus interest thereon, and that Class Members who submit acceptable Proofs of Claim will benefit from the Settlement created by Plaintiffs' Lead Counsel;

(b) Over 3,798 copies of the Notice were disseminated to putative Class Members indicating that Plaintiffs' Lead Counsel were moving for attorneys' fees in an amount not to exceed 30% of the Gross Settlement Fund and for reimbursement of expenses and no objections were filed against the terms of the proposed Settlement or the ceiling on the fees and expenses requested by Plaintiffs' Lead Counsel contained in the Notice;

(c) Plaintiffs' Lead Counsel have conducted the litigation and achieved the Settlement with skill, perseverance and diligent advocacy;

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

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

(f) Plaintiffs' Lead Counsel have devoted over 2,266 hours, with a lodestar value of \$1,084,539, to achieve the Settlement; and

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

15. Exclusive jurisdiction is hereby retained over the parties and the Class Members for all matters relating to this Action, including the administration, interpretation, effectuation or enforcement of the Stipulation and this Order and Final Judgment, and including any application for fees and expenses incurred in connection with administering and distributing the settlement proceeds to the members of the Class.

16. Without further order of the Court, the parties may agree to reasonable extensions of time to carry out any of the provisions of the Stipulation.

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

18. Pursuant to and in full compliance with Rule 23 of the Federal Rules of Civil Procedure, the Court finds and concludes that due and adequate notice was directed to all Persons and entities who are Class Members advising them of the Plan of Allocation and of their

