

**UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY**

JUAN FERNANDEZ,

Plaintiff,

v.

KNIGHT CAPITAL GROUP, INC., et al.,

Defendants.

Civil Action No. 12-cv-06760 (MCA) (SCM)

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~~— [PROPOSED]~~ ORDER PRELIMINARILY APPROVING SETTLEMENT, CERTIFYING
SETTLEMENT CLASS AND PROVIDING FOR NOTICE

EXHIBIT A

WHEREAS, an action is pending before this Court styled *Juan Fernandez vs. Knight Capital Group, Inc., et al.*, No. 12-cv-06760 (the “Action”);

WHEREAS, the Settling Parties having made application, pursuant to Federal Rule of Civil Procedure 23(e), for an order preliminarily approving the settlement of this Action, in accordance with the Stipulation of Settlement dated February 9, 2015 (the “Stipulation”), which, together with the Exhibits annexed thereto, sets forth the terms and conditions for a proposed settlement of the Action between the Settling Parties and for dismissal of the Action against the Defendants and all Released Claims of the Settlement Class 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, unless otherwise defined, all capitalized 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 July 1, 2015 [a date approximately 90 days from the Notice Date], at 10:00 a.m., at the United States District Court for the District of New Jersey, Martin Luther King Building & United States Courthouse, 50 Walnut Street, Newark, New Jersey 07101, to certify the Settlement Class for settlement purposes, 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 Settlement Class and should be approved by the Court; to determine whether a Judgment as provided in ¶1.7 of the Stipulation should be entered; to determine whether the proposed Plan of Allocation should be approved; to determine any amount of fees and expenses that should be awarded to Lead Plaintiff’s Counsel for their service to the

Class; to determine any amount that should be awarded to Lead Plaintiff for reimbursement of its reasonable time, costs and expenses directly relating to Lead Plaintiff's representation of the Settlement Class; to hear any objections by members of the Settlement Class to the Stipulation or Plan of Allocation or any award of fees and expenses to Plaintiffs' Counsel and to Lead Plaintiff; and to consider such other matters as the Court may deem appropriate.

3. Pursuant to Rule 23 of the Federal Rules of Civil Procedure, the Court certifies a Class, for settlement purposes only, defined as: All persons or entities who purchased or otherwise acquired Knight securities from May 10, 2011 through August 1, 2012, inclusive, and who were allegedly damaged thereby. Excluded from the Settlement Class are Defendants, members of the immediate family of Thomas M. Joyce and Steven Bisgay, subsidiaries and affiliates of Knight and the directors, officers and employees of Knight and its subsidiaries and affiliates. Also excluded from the Settlement Class are those persons who file valid and timely requests for exclusion in accordance with this Preliminary Approval Order.

4. The Court finds upon a preliminary evaluation, for the purposes of the Settlement only, that the prerequisites for a class action under Rule 23(a) and (b)(3) of the Federal Rules of Civil Procedure have been satisfied in that: (i) the number of Settlement Class Members is so numerous that joinder of all members thereof is impracticable; (ii) there are questions of law and fact common to the Settlement Class; (iii) the claims of the Lead Plaintiff are typical of the claims of the Settlement Class it seeks to represent; (iv) the Lead Plaintiff will fairly and adequately represent the interests of the Settlement Class; (v) the questions of law and fact common to the members of the Settlement Class predominate over any questions affecting only individual members of the Settlement Class; and (vi) a class action is superior to other available methods for the fair and efficient adjudication of the controversy.

5. Pursuant to Rule 23 of the Federal Rules of Civil Procedure, and for the purposes of the Settlement only, Lead Plaintiff Louisiana Municipal Police Employees Retirement System is certified as Class Representative and Lead Counsel, Saxena White P.A. and Carella, Byrne, Cecchi, Olstein, Brody & Agnello, are certified as Settlement Class Counsel.

6. The Court approves the form, substance and requirements of the Notice of Pendency and Proposed Settlement of Class Action (“Notice”), the Proof of Claim and Release form (“Proof of Claim”), and the Summary Notice annexed to the Stipulation as Exhibits A-1, A-2 and A-3, respectively.

7. Pursuant to Rule 23(c) of the Federal Rules of Civil Procedure, the Court appoints, for settlement purposes only, the firm Epiq Systems, Inc. (“Claims Administrator”) to supervise and administer the notice procedure as well as the processing of claims as more fully set forth below:

(a) Within twenty-one (21) calendar days after execution of this Stipulation, counsel for Defendants shall provide the Claims Administrator and Lead Plaintiff’s Counsel with a list of names and addresses of record holders of Knight securities during the Class Period;

(b) Not later than March 30, 2015 (the “Notice Date”) [a date approximately twenty-eight (28) calendar days after entry of this Order], Lead Plaintiff’s Counsel and/or the Claims Administrator shall commence mailing of the Notice and the Proof of Claim, to be mailed by First-Class Mail¹ to all Settlement Class Members who can be identified with reasonable effort and to be posted on the Claims Administrator’s website at www.knightsecuritieslitigation.com;

(c) Not later than April 9, 2015 [a date approximately 10 days after the Notice Date], the Claims Administrator shall cause the Summary Notice to be once in *Investor’s Business Daily* and posted on *Business Wire*; and

¹ First-Class Mail shall mean “First Class Mail” as defined by the United States Postal Service.

(d) Not later than June 22, 2015 [a date approximately 10 days prior to the Settlement Hearing], Lead Plaintiff's Counsel shall serve on Defendants' Counsel and file with the Court proof, by affidavit or declaration, of such mailing and publishing.

8. The form and content of the Notice, and the method set forth herein of notifying the Settlement Class of the Settlement and its terms and conditions: (i) meet 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, and due process; (ii) constitute the best notice practicable under the circumstances; and (iii) shall constitute due and sufficient notice to all persons and entities entitled thereto. No Settlement Class Member shall be relieved or excused from the terms of the Settlement, including the releases of claims provided for therein, based upon the contention or proof that such Settlement Class Member failed to receive actual or adequate notice. The date and time of the Settlement Hearing shall be included in the Notice and Summary Notice before they are mailed and published, respectively.

9. Nominees who purchased or acquired Knight securities for the benefit of another Person during the Class Period, shall be requested to send the Notice and Proof of Claim and Release Form to such beneficial owners of Knight securities within ten (10) calendar days after receipt thereof, or send a list of the names and addresses of such beneficial owners to the Claims Administrator within ten (10) calendar days of receipt thereof, in which event the Claims Administrator shall promptly mail the Notice and Proof of Claim and Release Form to such beneficial owners.

10. Other than the cost, if any, of providing the names and addresses of Persons who purchased or acquired Knight securities during the Class Period to Lead Plaintiff's Counsel and/or the Claims Administrator, all fees, costs, and expenses incurred in identifying and notifying

Settlement Class Members shall be paid from the Settlement Fund and in no event shall any of the Released Persons bear any responsibility for such fees, costs, or expenses.

11. All Settlement Class Members (except Persons who request exclusion pursuant to ¶ 10 below) shall be bound by all determinations and judgments in the litigation concerning the Settlement, including, but not limited to, the releases provided for therein, whether favorable or unfavorable to the Class, regardless of whether such Persons seek or obtain by any means, including, without limitation, by submitting a Proof of Claim and Release Form or any similar document, any distribution from the Settlement Fund.

12. Settlement Class Members who wish to participate in the Settlement shall complete and submit the Proof of Claim and Release Form in accordance with the instructions contained therein. Unless the Court orders otherwise, all Proof of Claim and Release Forms must be postmarked no later than June 29, 2015 [a date approximately 90 days from the Notice Date]. Any Settlement Class Member who does not submit a Proof of Claim and Release Form within the time provided shall be barred from sharing in the distribution of the proceeds of the Settlement Fund, unless otherwise ordered by the Court, but shall nevertheless be bound by any final judgment entered by the Court. Notwithstanding the foregoing, Lead Plaintiff's Counsel shall have the discretion to accept late-submitted claims for processing by the Claims Administrator so long as distribution of the Settlement Fund is not materially delayed thereby.

(a) The Proof of Claim submitted by each Settlement Class Member must satisfy the following conditions: (i) it must be properly completed, signed and submitted in a timely manner in accordance with the provisions of the preceding subparagraph; (ii) it must be accompanied by adequate supporting documentation for the transactions reported therein, in the form of broker confirmation slips, broker account statements, an authorized statement from the broker containing the transactional information found in a broker confirmation slip, or such other documentation as is

deemed adequate by the Claims Administrator; (iii) if the person executing the Proof of Claim is acting in a representative capacity, a certification of his or her authority to act on behalf of the Settlement Class Member must be included in the Proof of Claim; and (iv) the Proof of Claim must be complete and contain no material deletions or modifications of any of the printed matter contained therein and must be signed under penalty of perjury.

(b) As part of the Proof of Claim, each Settlement Class Member shall submit to the jurisdiction of the Court with respect to the claim submitted, and shall (subject to effectuation of the Settlement) release all Released Claims as provided in the Stipulation.

13. Any Settlement Class Member may enter an appearance in the Action, at his, her, or its own expense, individually or through counsel of their own choice. If they do not enter an appearance, they will be represented by Lead Plaintiff's Counsel.

14. Any Person falling within the definition of the Settlement Class may, upon request, be excluded or "opt out" from the Settlement Class. Any such Person must submit to the Claims Administrator a request for exclusion ("Request for Exclusion"), postmarked no later than June 2, 2015 [a date approximately 30 days prior to the Settlement Hearing] to *Knight Capital Group Securities Litigation, EXCLUSIONS, P.O. Box 3076, Portland, OR 97208-3076*. A Request for Exclusion must be signed and state (a) the name, address, and telephone number of the Person requesting exclusion; (b) the Person's purchases, acquisitions, and sales of Knight securities from May 10, 2011 through August 1, 2012, including the dates, the amount of Knight securities purchased, acquired or sold, and price paid or received for each such purchase, acquisition or sale; and (c) that the Person wishes to be excluded from the Settlement Class. All Persons who submit valid and timely Requests for Exclusion in the manner set forth in this paragraph shall have no rights under the Stipulation, shall not share in the distribution of the Settlement Fund, and shall not be bound by the Stipulation or any final judgment.

15. Lead Plaintiff's Counsel shall cause to be provided to Defendants' Counsel copies of all Requests for Exclusion, and any written revocation of Requests for Exclusion, as expeditiously as possible and in any event not less than fourteen (14) days prior to the Settlement Hearing.

16. Any Settlement Class Member may appear and object if he, she, or it has any reason why the proposed Settlement of the Action should not be approved as fair, reasonable and adequate, or why a judgment should not be entered thereon, why the Plan of Allocation should not be approved, why attorneys' fees and expenses should not be awarded to Lead Plaintiff's Counsel for their service to the Settlement Class; provided, however, that no member of the Settlement Class or any other Person shall be heard or entitled to contest the approval of the terms and conditions of the proposed Settlement, or, if approved, the Judgment to be entered thereon approving the same, or the order approving the Plan of Allocation, or any attorneys' fees and expenses to be awarded to Lead Plaintiff's Counsel, unless written objections and copies of any papers and briefs are received by Lester R. Hooker, Saxena White P.A., 5200 Town Center Circle, Suite 601, Boca Raton, Florida, 33486; and Matthew Solum, Kirkland & Ellis LLP, 601 Lexington Avenue, New York, NY 10022, on or before June 11, 2015 [a date approximately 21 days prior to the Settlement Hearing]; and said objections, papers, and briefs are filed with the Clerk of the United States District Court for the District of New Jersey, on or before June 11, 2015 [a date approximately 21 days prior to the Settlement Hearing]. Any Settlement Class Member 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, reasonableness, or adequacy of the proposed Settlement as incorporated in the Stipulation, to the Plan of Allocation, and to the award of attorneys' fees and expenses to Lead Plaintiff's Counsel, unless otherwise ordered by the Court.

17. All funds held by the Escrow Agent shall be deemed and considered to be in *custodia legis*, 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.

18. All papers in support of the Settlement, Plan of Allocation, and any application by Lead Plaintiff's Counsel for attorneys' fees and expenses shall be filed and served no later than May 28, 2015 [a date approximately 35 days prior to the Settlement Hearing] and any reply papers shall be filed and served no later than June 25, 2015 [a date approximately 7 days prior to the Settlement Hearing].

19. The Released Persons shall have no responsibility for the Plan of Allocation or any application for attorneys' fees or expenses submitted by Lead Plaintiff's Counsel, and such matters will be considered separately from the fairness, reasonableness, and adequacy of the Settlement.

20. At or after the Settlement Hearing, the Court shall determine whether the Plan of Allocation proposed by Lead Plaintiff's Counsel, and any application for attorneys' fees and expenses should be approved.

21. All reasonable expenses incurred in identifying and notifying Settlement Class Members as well as administering the Settlement Fund shall be paid as set forth in the Stipulation. Lead Plaintiff's Counsel may pay, out of the Settlement Fund without further order of the Court: (i) to the Claims Administrator the reasonable costs associated with giving notice to the Settlement Class and fees for the review of claims and administration of the Settlement; and (ii) all costs related to any taxes due and owing by the Settlement Fund. In the event the Court does not approve the Settlement, or it otherwise fails to become effective, neither Lead Plaintiff nor any of its counsel shall have any obligation to repay any amounts actually and properly incurred or disbursed pursuant to ¶5.2 of the Stipulation.

22. 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 of the Released Persons of the truth of any of the allegations in the Action, or of any liability, fault, or wrongdoing of any kind.

23. All proceedings in the Action are stayed until further order of this Court, except as may be necessary to implement the Settlement or comply with the terms of the Stipulation. Pending final determination of whether the Settlement should be approved, neither Lead Plaintiff nor any Settlement Class Member, either directly, representatively, or in any other capacity shall commence or prosecute against any of the Released Persons any action or proceeding in any court or tribunal asserting any of the Released Claims.

24. The Court reserves the right to alter the time or the date of the Settlement Hearing without further notice to the Settlement Class Members, provided that the time or the date of the Settlement Hearing shall not be set at a time or date earlier than the time and date set forth in ¶ 2 above, 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.

IT IS SO ORDERED.

DATED:

2/27/15



THE HONORABLE MADELINE COX ARLEO
UNITED STATES DISTRICT JUDGE