

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK

LAWRENCE A. SCHULER, Individually and On Behalf  
of All Others Similarly Situated,

Plaintiff,

vs.

NIVS INTELLIMEDIA TECHNOLOGY GROUP, INC.,  
TIANFU LI, SIMON ZHANG, ALEXANDER CHEN,  
KWOK FU WONG, RUXIANG NIU, MINGHUI  
ZHANG, GENGQIANG YANG, CHARLES MO,  
RODMAN & RENSHAW LLC, WESTPARK CAPITAL,  
INC., and MALONEBAILEY, LLP,

Defendants.

Civil Action No. 1:11-cv-02484-KMW

CLASS ACTION

**NOTICE OF PROPOSED SETTLEMENT OF  
CLASS ACTION**

***If you purchased or otherwise acquired the publicly traded common stock of NIVS IntelliMedia Technology Group, Inc. (“NIVS”) during the period between March 24, 2010 and March 25, 2011, inclusive (the “Settlement Class Period”), you may be entitled to receive a payment under the proposed settlement (the “Settlement”) of a securities class action lawsuit (the “Action”). Your legal rights are affected whether you act or do not act. Please read this notice carefully.***

This is not a solicitation from a lawyer; a United States District Court authorized this notice (the “Notice”). The complete terms and conditions of the Settlement are set forth in a Stipulation of Settlement, dated April 22, 2014 (the “Stipulation”) entered into by the parties to the Action, which can be downloaded at [www.nivssecuritieslitigation.com](http://www.nivssecuritieslitigation.com) or requested at the telephone number and address provided below.

**Relevant securities and time period:** NIVS common stock purchased or otherwise acquired between March 24, 2010 and March 25, 2011, inclusive.

**Settlement proceeds:** If the Settlement is approved by the United States District Court for the Southern District of New York (the “Court”), it will provide for a gross payment of \$1,350,000 into a settlement fund (the “Settlement Fund”), which, after deducting certain fees and expenses described below, would be available for distribution to persons who purchased or otherwise acquired NIVS common stock during the Settlement Class Period (“Settlement Class”). Whether you are entitled to a payment from the Settlement Fund depends on the timing of your purchases and any sales of NIVS common stock during the Settlement Class Period. Based on the information currently available to counsel for the Plaintiffs in the Action (“Plaintiffs’ Counsel”), and the analysis performed by its damage consultants, if claims are submitted representing 100 percent of the eligible NIVS shares, the estimated average recovery would be approximately \$0.091 for each share of NIVS common stock, before deducting settlement administration costs and Court-approved fees and expenses. Historically, the claim submission rate is less than 100 percent, which results in a higher per-share recovery for those who submit qualifying claims. Please see Question 9 below for a detailed explanation of the proposed plan of allocation (the “Plan of Allocation”) for distributing the Settlement proceeds to members of the Settlement Class (“Settlement Class Members”).

**Reasons for the Settlement:** The Settlement provides a benefit to Settlement Class Members now and avoids the uncertainty, time and expense of further litigation, including the potential for a contested trial and likely appeals, with the possibility of receiving no recovery at all for the Settlement Class.

**If the Action had not settled:** If the parties had not agreed to the Settlement, it is possible that the named plaintiffs (“Plaintiffs”), on behalf of Settlement Class Members, would have obtained no recovery at all. The parties disagree on both liability and damages. Among the many issues on which the parties do not agree are: (1) whether any Defendants violated the law; (2) whether NIVS’s public disclosures contained any false or misleading statements or omissions of material fact; (3) whether any such alleged misstatements or omissions affected the price of NIVS common stock, and the amount and method for determining such alleged effect; and (4) the amount of damages (if any) that could be recovered at trial.

**Fees and expenses:** Plaintiffs’ Counsel has not received any payments for its work investigating the facts, prosecuting the Action, and negotiating the Settlement on behalf of Plaintiffs and the Settlement Class. Plaintiffs’ Counsel will ask the Court for an award of attorneys’ fees equal to 33<sup>1/3</sup>% of the Settlement Fund, and for reimbursement of litigation expenses not to exceed \$100,000. In addition, Plaintiffs will ask the Court for a compensatory payment not to exceed \$5,000 for reimbursement of their reasonable costs and expenses directly relating to their representation of the Settlement Class, for an aggregate amount of \$15,000. All of these amounts would be paid exclusively from the Settlement Fund. If the above amounts are approved by the Court, the average cost of such fees and expenses would be approximately \$0.038 for each share of NIVS common stock.

**Important deadlines:**

Deadline to submit a claim for Settlement proceeds: April 8, 2015

Deadline to request exclusion from the Settlement Class: February 17, 2015

Deadline to object to the Settlement: March 5, 2015

**Settlement hearing:** March 19, 2015

**More information:** [www.nivssecuritieslitigation.com](http://www.nivssecuritieslitigation.com) or contact:

Claims Administrator

*Schuler v. NIVS IntelliMedia Technology Group, Inc., et al. Securities Litigation*

Claims Administrator

c/o Epiq Systems, Inc.

P.O. Box 3518

Portland, OR 97208-3518

Lead Plaintiffs' Counsel

SAXENA WHITE P.A.

Lester R. Hooker

5200 Town Center Circle, Suite 601

Boca Raton, FL 33486

Telephone: (561) 206-6708

**YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT**

<b>SUBMIT A CLAIM</b>	You may submit a claim to request a payment from the Settlement Fund by following the instructions in this Notice and on the Proof of Claim enclosed with this Notice.
<b>OBJECT</b>	You may write to the Court if you do not like this Settlement, the request for fees and expenses, or the Plan of Allocation. The Court will consider your objection in deciding whether to approve the Settlement.
<b>REQUEST EXCLUSION</b>	You may request to be excluded from the Settlement Class by following the instructions in this Notice. If you request exclusion, you will not be able to submit a claim for a payment from the Settlement Fund.
<b>ATTEND THE HEARING</b>	You may attend the hearing at which the Court will consider whether to approve the Settlement (the "Settlement Hearing"). Attendance, however, is not required.
<b>DO NOTHING</b>	You may do nothing, in which case you will not receive any payment from the Settlement Fund and you will be bound by the terms of the Settlement, including the release of claims.

The above rights and options — **and the deadlines to exercise them** — are explained in this Notice. The Court must decide whether to approve the Settlement. Payments will be made only if the Court approves the Settlement and, if there are any appeals, after appeals are resolved. Please be patient.

## BASIC INFORMATION

### 1. WHY DID I GET THIS NOTICE?

You or someone in your family may have purchased NIVS common stock between March 24, 2010 and March 25, 2011, inclusive.

The Court authorized this Notice to inform people who purchased NIVS common stock during the Settlement Class Period about a proposed settlement of a class action lawsuit filed against NIVS, and the options that such people have before the Court decides whether to approve the Settlement. If the Court approves the Settlement, and any appeals are resolved in favor of the Settlement, the claims administrator appointed by the Court (the “Claims Administrator”) will make the payments provided for under the Settlement.

This Notice explains the Action, the Settlement, your legal rights, what benefits are available, who is eligible for such benefits, and how to obtain them.

The title of the Action is *Schuler vs. NIVS IntelliMedia Technology Group, Inc., et al.*, Case No. 11-CV-02484-KMW-FM (S.D.N.Y.). Plaintiffs are Lead Plaintiff Allan Lyons and plaintiffs Henry C. Beinstein and Michael A. Short. The Settling Defendants are NIVS IntelliMedia Technology Group, Inc. (“NIVS”), Tianfu Li, Simon Zhang, Alexander Chen, Kwok Fu Wong, Ruxiang Niu, Minghui Zhang, Gengqiang Yang, Charles Mo, MaloneBailey, LLP (“MaloneBailey”) and WestPark Capital, Inc. (“WestPark”). Defendant Rodman & Renshaw LLC (“R&R”) filed a Suggestion of Bankruptcy with the Court on January 17, 2013. As such, R&R was not involved in the Settlement.

### 2. WHAT IS THIS LAWSUIT ABOUT?

Awaaz Baksh filed the original purported securities class action complaint in the Action on March 29, 2011 alleging that NIVS and certain of its officers and directors made false and misleading statements in NIVS’s public filings with the U.S. Securities and Exchange Commission (“SEC”) in violation of the federal securities laws. On October 22, 2011, this court appointed Allan Lyons as Lead Plaintiff.

Lead Plaintiff filed a Corrected Consolidated Amended Complaint on March 27, 2012. Lead Plaintiff generally alleged that the defendants engaged in conduct that violated the United States securities laws during the Settlement Class Period (as defined below), in violation of Sections 10(b) and 20(a) of the Securities Exchange Act of 1934 (“Exchange Act”), and Rule 10b-5 promulgated thereunder; and Sections 11, 12(a) (2) and 15 of the Securities Act of 1933 (“Securities Act”). Lead Plaintiff alleged claims against NIVS, Lee, Zhang, Chen, Wong and MaloneBailey (collectively, the “Exchange Act Defendants”) under the Exchange Act. Plaintiffs alleged claims against NIVS, Li, Zhang, Niu, Minghui, Yang, Mo, Rodman & Renshaw LLC (“R&R”), WestPark, and MaloneBailey (collectively, the “Securities Act Defendants”) under the Securities Act.

Thereafter, defendants WestPark, MaloneBailey, and R&R filed motions to dismiss the Complaint on May 31, 2012. On January 11, 2013, while the motions to dismiss were pending, R&R filed a petition for relief under Chapter 7 of the United States Bankruptcy Code in the Bankruptcy Court for the Southern District of New York. In *Re Rodman & Renshaw, LLC*, 13-10087-reg (S.D.N.Y.). R&R filed a Suggestion of Bankruptcy with the Court on January 17, 2013 (Dkt. #96). The Action was thereafter stayed against R&R by operation of law.

By order dated March 12, 2013, the Court granted the motions to dismiss, but granted leave to amend. Plaintiffs filed the Second Amended Complaint on April 15, 2013. On April 29, 2013, Plaintiffs, WestPark and MaloneBailey filed a Joint Stipulation Staying All Proceedings in order to engage in settlement discussions.

### 3. WHY IS THIS A CLASS ACTION?

The Action was filed as a class action lawsuit. In a class action, one or more plaintiffs file a lawsuit on behalf of himself or herself, and as a representative of other people who have similar claims. Class actions allow a court to consider the claims of a class of similarly situated people collectively where it might not be economically worthwhile for those people to file individual claims. The court’s decisions in a class action case are binding on all members of the class, except for those who inform the court that they wish to be excluded from the class.

### 4. WHY IS THERE A SETTLEMENT?

The Settlement avoids the risks and costs of lengthy and uncertain continued litigation, including a potential trial and likely appeals, and instead allows eligible Settlement Class Members to be compensated now. After extensive good-faith settlement

discussions during the course of the Action, counsel for Plaintiffs and for WestPark and MaloneBailey participated in a mediation session held on September 12, 2013 to try to reach a resolution. Prior to the mediation, each side submitted a comprehensive statement setting forth its position. As a result of negotiations that occurred during and after the mediation, the WestPark and MaloneBailey defendants reached agreements to settle the Action. The remaining Defendants, including Defendant NIVS IntelliMedia Technology Group, Inc. (“NIVS”) and the Individual Defendants (various officers and directors of NIVS and, together with NIVS, the “NIVS Defendants”) also agreed to a resolution of this action. Plaintiffs and Plaintiffs’ Counsel believe that the Settlement is in the best interests of all Settlement Class Members.

MaloneBailey, WestPark and the NIVS Defendants individually recognize that the Action is being voluntarily settled after advice of their respective counsel, and that the terms of the Settlement (as defined below) are fair, adequate and reasonable. MaloneBailey, WestPark and the NIVS Defendants, each with their own respective basis for resolving the Action, have nonetheless agreed to the Settlement in order to eliminate the uncertainty, distraction, disruption, burden, risk and expense of further litigation.

If the Court approves the Settlement, Plaintiffs will request that the Court dismiss the Action with prejudice, and enter an order releasing all claims against the Settling Defendants. The effectiveness of the Settlement is contingent upon the Court’s approval.

## **THE SCOPE OF THE SETTLEMENT**

### **5. HOW DO I KNOW IF I AM COVERED BY THE SETTLEMENT?**

All persons or entities that purchased or otherwise acquired NIVS common stock between March 24, 2010 and March 25, 2011, inclusive, are covered by the Settlement.

### **6. ARE THERE EXCEPTIONS TO BEING INCLUDED IN THE SETTLEMENT CLASS?**

Yes. Excluded from the Settlement Class are Settling Defendants, and all officers and directors of NIVS, and all such excluded persons’ immediate family members, legal representatives, heirs, predecessors, successors and assigns, and any entity in which any excluded person has or had a controlling interest. Also excluded from the Settlement Class are persons who file valid and timely requests for exclusion by following the instructions below.

### **7. I’M STILL NOT SURE IF I AM COVERED BY THE SETTLEMENT.**

If you still are not sure whether you are included, you can ask for free help. You can call the Claims Administrator at (877) 819-8980 or visit [www.nivssecuritieslitigation.com](http://www.nivssecuritieslitigation.com) for more information; you can e-mail a representative of Plaintiffs’ Lead Counsel, Lester R. Hooker at [lhooker@saxenawhite.com](mailto:lhooker@saxenawhite.com) for more information; or you can fill out and return the claim form described in Question 10 to see if you qualify.

## **THE SETTLEMENT BENEFITS - WHAT YOU GET**

### **8. WHAT DOES THE SETTLEMENT PROVIDE?**

The Settling Defendants have agreed to a payment of \$1,350,000, to be made, in exchange for the release of claims provided for in the Stipulation. Defendant MaloneBailey is required to fund the settlement fund with \$1,250,000 within fourteen (14) days after the entry of an order preliminarily approving the settlement. Defendant WestPark’s parent company, WestPark Capital Financial Services LLC, will pay \$50,000 cash on or before ten (10) days prior to the final approval hearing. Defendant WestPark Capital, Inc. will not be making any payment. The NIVS Defendants agreed to a payment of \$50,000 cash on or before twenty-one (21) calendar days after the entry of a Court order Preliminarily Approving the Settlement. The Settlement Fund will be divided among all eligible Settlement Class Members who submit timely and valid Proofs of Claim and Release forms approved by the Claims Administrator in whole or in part (“Authorized Claimants”), after payment of Court-approved attorneys’ fees and litigation expenses, taxes, Plaintiffs’ compensatory awards, and the costs of claims administration, including the costs of printing and mailing this Notice and the cost of publishing a notice in the news media. The amount remaining after such deductions is referred to as the “Net Settlement Fund.”

### **9. THE PLAN OF ALLOCATION - HOW MUCH WILL MY PAYMENT BE?**

Your share of the Net Settlement Fund will depend on the overall number of valid claims that Settlement Class Members send in, the amount due under those claims, how many shares of NIVS common stock you purchased and sold during the Settlement Class Period, and when you bought and sold such shares. The Net Settlement Fund shall be distributed to the Class Members as described in this section (the “Plan of Allocation”).

All calculations and determinations will be made by the Claims Administrator under the supervision of Plaintiffs' Counsel. In the unlikely event there are sufficient funds in the Net Settlement Fund, each Authorized Claimant will receive an amount equal to the Authorized Claimant's Recognized Loss, as defined below. If, however, the amount in the Net Settlement Fund is not sufficient to permit payment of the total Recognized Loss of each Authorized Claimant, then each Authorized Claimant shall be paid the percentage of the Net Settlement Fund that each Authorized Claimant's Recognized Loss bears to the total of the Recognized Losses of all Authorized Claimants. Payment in this manner shall be deemed conclusive against all Authorized Claimants.

The allocation is based on the following:

**Statement Of Claims  
NIVS IntelliMedia Technology Group**

**Class Period: March 24, 2010 - March 25, 2011**

Estimated Average Recovery per share = \$.091

Date Range	Artificial Inflation per share
3/24/2010 - 3/24/2011	\$1.69
3/25/2011 - Today	\$0.00

Notes and Sources:

[1] Source: Price data gathered from Bloomberg.

[2] Inflation estimated using a market model.

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

For shares of NIVS common stock purchased during the Settlement Class Period and sold prior to the close of trading on March 24, 2011, the Recognized Loss per share will be \$0.00.

For shares of NIVS common stock purchased during the Settlement Class Period and held as of the close of trading on March 24, 2011, the Recognized Loss per share will be \$1.69 (the estimated Artificial Inflation during the Settlement Class Period).

A Settlement Class Member will be eligible to receive a distribution from the Net Settlement Fund only if a Settlement Class Member had a net loss, after all profits from transactions in NIVS common stock during the Settlement Class Period are subtracted from all losses<sup>1</sup>. However, the proceeds of sales from securities which have been matched against securities held at the beginning of the Settlement Class Period will not be used in the calculation of such net loss. If a Settlement Class Member had a net market loss in his, her or

its trading in NIVS common stock, the Settlement Class Member's net Recognized Loss shall be limited to the Settlement Class Member's net market loss.

No distributions will be made to Authorized Claimants who would otherwise receive a distribution of less than \$10.00.

The Court has reserved jurisdiction to allow, disallow, or adjust the claim of any Settlement Class Member on equitable grounds.

Payment pursuant to the Plan of Allocation set forth above shall be conclusive against all Settlement Class Members. No Person shall have any claim against Plaintiffs, Plaintiffs' Counsel, or any claims administrator or other Person designated by Plaintiffs' Counsel or the Settling Defendants and/or the Settling Defendants' Counsel based on distributions made substantially in accordance with the Stipulation and the Settlement contained therein, the Plan of Allocation, or further orders of the Court. All members of the Class who fail to complete and file a valid and timely Proof of Claim shall be barred from participating in distributions from the Net Settlement Fund (unless otherwise ordered by the Court), but otherwise shall be bound by all of the terms of the Stipulation, including the terms of any judgment entered and the releases given.

**HOW YOU GET A PAYMENT – SUBMITTING A PROOF OF CLAIM**

**10. HOW WILL I GET A PAYMENT?**

To qualify for a payment, you must send a Proof of Claim to the Claims Administrator. A Proof of Claim is enclosed with this Notice. Read the instructions carefully, fill out the Proof of Claim, include all the documents requested, sign it, and mail it in the enclosed envelope postmarked no later than April 8, 2015.

<sup>1</sup> For the purpose of calculating a net profit or loss, shares purchased during the Settlement Class Period and held through the end of the Settlement Class Period will be calculated using a holding value of \$0.52 (the opening price as of June 24, 2011, the first day the shares traded after the Settlement Class Period).

## **11. WHEN WOULD I GET MY PAYMENT?**

It is difficult to predict when payments from the Settlement Fund will begin. The Court will hold the Settlement Hearing on March 19, 2015, at 11:00 a.m., to decide whether to approve the Settlement. If the Court approves the Settlement, there may be appeals from the Court's approval, which could take a year or longer to resolve. The timing also depends on the number of Proofs of Claim submitted, which take time to process. If the Court approves the Settlement at the Settlement Hearing and no appeals are taken, it will likely take nine months or longer from the date of the Settlement Hearing for the Claims Administrator to begin making payments. Please be patient.

## **12. CAN I SUE DEFENDANTS FOR THE SAME THING?**

If you are a Settlement Class Member and you do not request exclusion from the Settlement Class in the manner described below, you may not sue any of the Released Persons (as defined in the Stipulation), including the Settling Defendants, based on the same or similar facts and issues as in the Action. The precise scope of the releases is set forth in the Stipulation. If you have a pending lawsuit against any of the Defendants, speak to your lawyer in that case immediately.

### **EXCLUDING YOURSELF FROM THE SETTLEMENT**

If you do not want a payment from this Settlement, but you want to keep any right you may have to sue or continue to sue the Released Persons, on your own, about the Released Claims, then you must take steps to get out. This is called excluding yourself from the Settlement, or is sometimes referred to as "opting out" of the Settlement. The Settling Defendants may withdraw from and terminate the Settlement if more than a certain number of claimants exclude themselves from the Settlement.

## **13. HOW DO I GET OUT OF THE PROPOSED SETTLEMENT?**

You cannot exclude yourself by telephone or by email. To exclude yourself from the Settlement, you must send a signed letter by mail stating that you "request exclusion from the Settlement in the NIVS IntelliMedia Litigation, Case No. 1:11-cv-02484-KMW." Your letter should state the dates, prices, and amounts of all purchases and sales of NIVS common stock during the Settlement Class Period. Please be sure to include your name, address, telephone number, e-mail address and your signature. If the exclusion request is made by someone other than the Class Member directly, the person or entity submitting the exclusion request must provide documentation evidencing authority to submit the exclusion request on behalf of the Class Member. You must mail your exclusion request postmarked no later than February 17, 2015 to:

*Schuler v. NIVS IntelliMedia Technology Group, Inc., et al. Securities Litigation*  
Exclusions  
c/o Epiq Systems, Inc.  
P.O. Box 3518  
Portland, OR 97208-3518

If you ask to be excluded, you will not get any Settlement payment, and you cannot object to the Settlement. You will not be legally bound by anything that happens in this lawsuit. You may be able to sue (or continue to sue) the Released Persons in the future.

### **THE LAWYERS REPRESENTING YOU**

## **14. DO I HAVE A LAWYER IN THIS CASE?**

The Court appointed the law firm of Saxena White P.A. to represent Plaintiffs and all Settlement Class Members. The Court also appointed the Law Offices of Curtis V. Trinko, LLP as liaison counsel for Plaintiffs and the Settlement Class. You will not be charged for the services of these lawyers. If you want to be represented by your own lawyer, you may hire one at your own expense.

## **15. HOW WILL THE LAWYERS BE PAID?**

Before the date of the Settlement Hearing, Plaintiffs' Counsel will submit an application asking the Court for an award of attorneys' fees equal to 33<sup>1/3</sup>% of the Settlement Fund, and for reimbursement of litigation expenses not to exceed \$100,000, both of which would be paid from the Settlement Fund. Settlement Class Members are not personally liable for such fees or expenses. To date, Plaintiffs' Counsel has not received any payment for its services in conducting this Action on behalf of Plaintiffs and the Settlement Class, nor has it received any reimbursement of litigation expenses. The fee requested will

compensate Plaintiffs' Counsel for its work in achieving the Settlement and is within the range of fees awarded to class counsel under similar circumstances in other cases of this type. This motion will be considered at the Settlement Hearing.

### **OBJECTING TO THE SETTLEMENT**

You can tell the Court that you do not agree with the Settlement or some part of it.

### **16. HOW DO I TELL THE COURT THAT I DO NOT LIKE THE SETTLEMENT?**

Any Settlement Class Member may object to the Settlement, the Plan of Allocation, the application for attorneys' fees and expenses, and/or the application for reimbursement of Plaintiffs' expenses and/or compensatory award, and may also (but need not) appear at the Settlement Hearing to raise such an objection. To object, you must submit (a) a written statement identifying your name, address, and telephone number, and, if represented by counsel, your counsel's name and contact information; (b) proof of ownership of NIVS common stock during the Settlement Class Period, including the number of NIVS common stock and the date or dates of purchase; (c) a statement explaining your objection and your reasons for such objection; and (d) any supporting documentation. If you wish to appear at the Settlement Hearing, you must also include a statement of intention to appear at the Settlement Hearing. You must send these materials by first class mail to the following addresses by March 5, 2015:

The Court  
Clerk of the Court  
UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK  
Daniel Patrick Moynihan U.S. Courthouse  
500 Pearl Street  
New York, New York 10007

Plaintiffs' Lead Counsel  
Lester R. Hooker  
SAXENA WHITE P.A.  
5200 Town Center Circle, Suite 601  
Boca Raton, FL 33486  
Tel: (561) 206-6708  
Fax: (866) 290-1291

Counsel for Defendants  
Julie E. Kamps  
JULIE E. KAMPS, ESQ.  
1900 Ave. of the Stars, Suite 310  
Los Angeles, California 90067  
Tel: (310) 203-2942  
*Attorney for Defendant WESTPARK CAPITAL, INC.*

Peter J. Larkin  
William J. Kelly  
WILSON ELSER MOSKOWITZ  
EDELMAN & DICKER LLP  
1133 Westchester Avenue  
White Plains, New York 10604  
Tel: (914) 323-7000  
Fax: (914) 323-7001  
*Counsel for Defendant MALONEBAILEY, LLP.*

If you do not raise an objection in the manner provided above, you will be deemed to have waived any objection to the Settlement, the Plan of Allocation, the attorneys' fees and expenses, and the reimbursement of Plaintiffs' expenses, unless otherwise ordered by the Court.

### **THE SETTLEMENT HEARING**

The Court will hold a Settlement Hearing at 11:00 a.m., on March 19, 2015, in Courtroom 18B before the Honorable Kimba M. Wood at the Daniel Patrick Moynihan United States Courthouse, 500 Pearl Street, New York, NY 10007-1312. You may attend the Settlement Hearing, but you do not have to.

At the Settlement Hearing, the Court will consider whether the Settlement is fair, reasonable, and adequate. The Court will consider any objections that have been properly submitted. The Court will also decide whether to approve the Plan of Allocation, the payment of fees and expenses to Plaintiffs' counsel, and the application for reimbursement of Plaintiffs' expenses. It is difficult to predict how long the hearing may take or whether the Court will make a decision on the day of the hearing or sometime later.

## **17. DO I HAVE TO COME TO THE HEARING?**

No. Plaintiffs' Counsel will be attending the Settlement Hearing on behalf of the Settlement Class. If you submit an objection in accordance with the instructions above, the Court will consider your objection even if you do not attend the Settlement Hearing. You may attend the Settlement Hearing if you want, at your own expense, or you may send your own lawyer to attend, but it is not necessary.

### **IF YOU DO NOTHING**

## **18. WHAT HAPPENS IF I DO NOTHING AT ALL?**

If you do nothing, you will not receive any payment from the Settlement Fund and you will be bound by the terms of the Settlement, including the release of claims against Settling Defendants.

### **GETTING MORE INFORMATION**

## **19. HOW DO I TELL THE COURT THAT I DO NOT LIKE THE SETTLEMENT?**

This Notice summarizes the Settlement. More details are in the Stipulation, which has been filed with the Court. You can obtain a copy of the Stipulation from the Clerk's office at the Daniel Patrick Moynihan United States Courthouse, 500 Pearl Street, New York, NY 10007-1312, during regular business hours, or it can be viewed or downloaded at [www.nivsscuritieslitigation.com](http://www.nivsscuritieslitigation.com). Or you may contact the Claims Administrator at (877) 819-8980.

## **20. HOW DO I GET MORE INFORMATION?**

You can call (877) 819-8980 or write to a representative of Plaintiffs' Lead Counsel, Lester R. Hooker, or go to [www.nivsscuritieslitigation.com](http://www.nivsscuritieslitigation.com) for additional information regarding the Settlement or the Action. ***Please do not call the Court or the Clerk of the Court for additional information about the Settlement.***

## **21. SPECIAL NOTICE TO NOMINEES**

If you hold any NIVS common stock purchased between March 24, 2010 and March 25, 2011, inclusive, as a nominee for a beneficial owner, within ten (10) days after you receive this Notice, you must either (1) send a copy of this Notice by first class mail to all such beneficial owners; or (2) provide a list of the names and addresses of such beneficial owners to the Claims Administrator at the following address:

*Schuler v. NIVS IntelliMedia Technology Group, Inc., et al. Securities Litigation*  
Claims Administrator  
c/o Epiq Systems, Inc.  
P.O. Box 3518  
Portland, OR 97208-3518

If you choose to mail the Notice and Proof of Claim 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. You may be able to obtain reimbursement for, or advancement of, any reasonable administrative costs actually incurred or expected to be incurred in connection with forwarding the Notice that would not have been incurred but for the obligation to forward the Notice, upon submission of appropriate documentation to the Claims Administrator. Please contact the Claims Administrator for more information.

*DATED: November 13, 2014*

BY ORDER OF THE COURT  
UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK