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11 Counsel for Lead Plaintiff

12 UNITED STATES DISTRICT COURT
 13 CENTRAL DISTRICT OF CALIFORNIA
 14 WESTERN DIVISION

15 In re BASIN WATER, INC.,
 16 SECURITIES LITIGATION

) Master File No.
 CV-07-08359-GW(FFMx)

17 This Document Relates To:
 18 ALL ACTIONS.

) CLASS ACTION
) FINAL JUDGMENT AND ORDER OF
) DISMISSAL WITH PREJUDICE

19 DATE: November 19, 2009
 20 TIME: 8:30 a.m.
 21 COURTROOM: The Honorable
 22 George H. Wu

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1 This matter came before the Court for hearing pursuant to an Order of this
2 Court dated April 24, 2009, on the application of the Settling Parties for approval of
3 the Settlement set forth in the Stipulation of Settlement dated as of March 12, 2009
4 (the “Stipulation”). Due and adequate notice having been given of the Settlement as
5 required in said Order, and the Court having considered all papers filed and
6 proceedings held herein and otherwise being fully informed in the premises and good
7 cause appearing therefore, IT IS HEREBY ORDERED, ADJUDGED AND
8 DECREED that:

9 1. This Judgment incorporates by reference the definitions in the
10 Stipulation, and all terms used herein shall have the same meanings set forth in the
11 Stipulation.

12 2. This Court has jurisdiction over the subject matter of the Litigation and
13 over all parties to the Litigation, including all Members of the Settlement Class.

14 3. Pursuant to Rule 23 of the Federal Rules of Civil Procedure, the Court
15 hereby certifies, for purposes of effectuating this Settlement, a Settlement Class of all
16 Persons who purchased or otherwise acquired Basin publicly traded securities between
17 November 14, 2006 and August 8, 2008. Excluded from the Settlement Class are
18 Defendants, any entity in which any Defendant has or had a controlling interest or that
19 is a parent or subsidiary or is controlled by any Defendant, Defendants’ officers and
20 directors, including any Person who was an officer or director during the Settlement
21 Class Period, Defendants’ affiliates, legal representatives, heirs, predecessors,
22 successors or assigns, and members of the Defendants’ immediate families. Also
23 excluded from the Settlement Class are those Persons who timely and validly
24 requested exclusion from the Settlement Class pursuant to the Notice of Pendency and
25 Proposed Settlement of Class Action, as set forth in Exhibit 1 hereto.

26 4. With respect to the Settlement Class, this Court finds for the purposes of
27 effectuating this Settlement that (a) the Members of the Settlement Class are so
28 numerous that joinder of all Settlement Class Members in the class action is

1 impracticable; (b) there are questions of law and fact common to the Settlement Class
2 which predominate over any individual questions; (c) the claims of the Lead Plaintiff
3 are typical of the claims of the Settlement Class; (d) the Lead Plaintiff and Lead
4 Counsel have fairly and adequately represented and protected the interests of all of the
5 Settlement Class Members; and (e) a class action is superior to other available
6 methods for the fair and efficient adjudication of the controversy, considering: (i) the
7 interests of the Members of the Settlement Class in individually controlling the
8 prosecution of the separate actions; (ii) the extent and nature of any litigation
9 concerning the controversy already commenced by Members of the Settlement Class;
10 (iii) the desirability or undesirability of continuing the litigation of these claims in this
11 particular forum; and (iv) the difficulties likely to be encountered in the management
12 of the class action.

13 5. Except as to any individual claim of those Persons (identified in Exhibit 1
14 attached hereto) who have validly and timely requested exclusion from the Settlement
15 Class, the Litigation and all claims contained therein, including all of the Released
16 Claims, are dismissed with prejudice as to the Lead Plaintiff and the other Members of
17 the Settlement Class, and as against each and all of the Released Persons. The parties
18 are to bear their own costs, except as otherwise provided in the Stipulation.

19 6. Pursuant to Rule 23 of the Federal Rules of Civil Procedure, this Court
20 hereby approves the Settlement set forth in the Stipulation and finds that said
21 Settlement is, in all respects, fair, reasonable, and adequate to, and is in the best
22 interests of, the Lead Plaintiff, the Settlement Class, and each of the Settlement Class
23 Members. This Court further finds the Settlement set forth in the Stipulation is the
24 result of arm's-length negotiations between experienced counsel representing the
25 interests of the Lead Plaintiff, Settlement Class Members, and the Defendants.
26 Accordingly, the Settlement embodied in the Stipulation is hereby approved in all
27 respects and shall be consummated in accordance with its terms and provisions. The
28 Settling Parties are hereby directed to perform the terms of the Stipulation.

1 7. Upon the Effective Date hereof, the Lead Plaintiff and each of the
2 Settlement Class Members shall be deemed to have, and by operation of the Judgment
3 shall have, fully, finally and forever released, relinquished and discharged all Released
4 Claims against the Released Persons, whether or not such Settlement Class Member
5 executes and delivers a Proof of Claim and Release form.

6 8. Upon the Effective Date hereof, the Lead Plaintiff and all Settlement
7 Class Members and anyone claiming through or on behalf of any of them, are forever
8 barred and enjoined from commencing, instituting or continuing to prosecute any
9 action or proceeding in any court of law or equity, arbitration tribunal, administrative
10 forum or other forum of any kind, asserting against any of the Released Persons, and
11 each of them, any of the Released Claims.

12 9. Upon the Effective Date hereof, each of the Released Persons shall be
13 deemed to have, and by operation of the Judgment shall have, fully, finally and
14 forever released, relinquished and discharged the Lead Plaintiff, Settlement Class
15 Members, and Lead Counsel from all claims (including, without limitation, Unknown
16 Claims) arising out of, relating to, or in connection with, the institution, prosecution,
17 assertion, settlement or resolution of the Litigation or the Released Claims.

18 10. The distribution of the Notice of Pendency and Proposed Settlement of
19 Class Action and the publication of the Summary Notice as provided for in the
20 Revised Order Preliminarily Approving Settlement and Providing for Notice
21 constituted the best notice practicable under the circumstances, including individual
22 notice to all Members of the Settlement Class who could be identified through
23 reasonable effort. Said notice provided the best notice practicable under the
24 circumstances of those proceedings and of the matters set forth therein, including the
25 proposed Settlement set forth in the Stipulation, to all Persons entitled to such notice,
26 and said notice fully satisfied the requirements of Federal Rule of Civil Procedure 23,
27 the requirements of due process, and any other applicable law.

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1 11. Any plan of allocation submitted by Lead Counsel or any order entered
2 regarding the attorneys' fee and expense application shall in no way disturb or affect
3 this Judgment and shall be considered separate from this Judgment.

4 12. Neither the Stipulation nor the Settlement contained therein, nor any act
5 performed or document executed pursuant to or in furtherance of the Stipulation or the
6 Settlement: (a) is or may be deemed to be or may be used as an admission of, or
7 evidence of, the validity of any Released Claim, or of any wrongdoing or liability of
8 the Defendants; or (b) is or may be deemed to be or may be used as an admission of,
9 or evidence of, any fault or omission of any of the Defendants in any civil, criminal or
10 administrative proceeding in any court, administrative agency or other tribunal.
11 Defendants may file the Stipulation and/or the Judgment in any other action that may
12 be brought against them in order to support a defense or counterclaim based on
13 principles of *res judicata*, collateral estoppel, release, good faith settlement, judgment
14 bar or reduction or any other theory of claim preclusion or issue preclusion or similar
15 defense or counterclaim.

16 13. Without affecting the finality of this Judgment in any way, this Court
17 hereby retains continuing jurisdiction over: (a) implementation of this Settlement and
18 any award or distribution of the Settlement Fund, including interest earned thereon;
19 (b) disposition of the Settlement Fund; (c) hearing and determining applications for
20 attorneys' fees and expenses in the Litigation; and (d) all parties hereto for the purpose
21 of construing, enforcing, and administering the Stipulation.

22 14. The Court finds that during the course of the Litigation, the Settling
23 Parties and their respective counsel at all times complied with the requirements of
24 Federal Rule of Civil Procedure 11.

25 15. In the event that the Settlement does not become effective in accordance
26 with the terms of the Stipulation or the Effective Date does not occur, or in the event
27 that the Settlement Fund, or any portion thereof, is returned to the Defendants, then
28 this Judgment shall be rendered null and void to the extent provided by and in

1 accordance with the Stipulation and shall be vacated and, in such event, all orders
2 entered and releases delivered in connection herewith shall be null and void to the
3 extent provided by and in accordance with the Stipulation.

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5 DATED: November 13, 2009



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THE HONORABLE GEORGE H. WU
UNITED STATES DISTRICT JUDGE

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