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JS-6

UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

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SUSAN HUFNAGLE, et al.

Plaintiffs,

vs.

RINO INTERNATIONAL
CORPORATION, DEJUN ZOU,
JIANPING QIU, YI JENNY LIU, BEN
WANG, KENNITH C. JOHNSON, XIE
QUAN, WEIGUO ZHANG, LI YU, AND
FRAZER FROST, LLP f/k/a MOORE
STEPHENS WURTH FRAZER AND
TORBET, LLP,

Defendants.
-----X

CASE No.: CV 10-8695-DDP
(VBKx)

CLASS ACTION

**FINAL JUDGMENT
AND ORDER OF
DISMISSAL
WITH PREJUDICE
[DOCKET NO. 297]**

1 On this, the 1st day of February, 2016, a hearing having been held
2 before this Court to determine: (1) whether the terms and conditions of the
3 Stipulation of Settlement dated October 9, 2015 (the “Stipulation”), between Lead
4 Plaintiff Stream SICAV and named plaintiffs Todd Marx, John Dorman and Lee
5 Karlson (“Plaintiffs”), on behalf of themselves and each of the Class Members, and
6 Defendant Frazer Frost LLP (“Frazer” or “Defendant”) by and through their
7 respective counsel of record, which is incorporated herein by reference, are fair,
8 reasonable, and adequate for the settlement of all claims asserted by the Class
9 Members against Defendant in the Complaint now pending before this Court under
10 the above caption; (2) whether a class should be certified; and (3) whether judgment
11 should be entered dismissing the claims against Defendant in the Complaint on the
12 merits and with prejudice in favor of Defendant, and the Released Claims should be
13 released in favor of the Released Parties, as against all Persons who are Class
14 Members and who have not requested exclusion therefrom;

15 It appearing that a notice of the hearing substantially in the form
16 approved by the Court was mailed to all potential members of the Class reasonably
17 identifiable;

18 It appearing that a summary notice of the hearing substantially in the
19 form approved by the Court was published in the Investors’ Business Daily,
20 pursuant to the specifications of the Court;

21 It appearing that due notice of the Final Approval Hearing was given in
22 accordance with the Preliminary Approval Order entered by the Court on October
23 27, 2015 (“Preliminary Approval Order”); the respective parties having appeared by
24 their attorneys of record; the Court having heard and considered evidence in support
25 of the proposed Settlement (as defined in the Stipulation); the attorneys for the
26 respective parties having been heard; an opportunity having been given to all other
27 Persons requesting to be heard in accordance with the Preliminary Approval Order;
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1 the Court having determined that Notice to the Class (as defined below) certified in
2 the Action pursuant to the Preliminary Approval Order was adequate and sufficient;
3 and the Settlement having been heard and considered by the Court; and

4 The Court, having considered all matters submitted to it at the hearing
5 and otherwise having determined the fairness and reasonableness of the proposed
6 Settlement of the claims of the Class Members against Defendant;

7 NOW, THEREFORE, IT IS HEREBY ORDERED THAT:

8 1. This Final Judgment and Order of Dismissal with Prejudice
9 incorporates by reference the definitions in the Stipulation, and all capitalized terms
10 used herein shall have the same meaning as set forth in the Stipulation.

11 2. This Court has jurisdiction over the subject matter of the Action
12 and over the Parties and Class Members.

13 3. Each of the provisions of Rule 23(a) of the Federal Rules of Civil
14 Procedure has been satisfied and the Action has been properly maintained according
15 to the provisions of Rule 23(b) of the Federal Rules of Civil Procedure.

16 Specifically, based on the record in the Action, this Court expressly and
17 conclusively finds and orders that: (a) the Class as defined in the Preliminary
18 Approval Order is so numerous that joinder of all members is impracticable,
19 (b) there are questions of law and fact common to the Class, (c) the claims or
20 defenses of Plaintiffs are typical of the claims or defenses of the Class, and (d) the
21 Plaintiffs will fairly and adequately protect and represent the interests of the Class.
22 Moreover, the Court finds that the questions of law or fact common to the members
23 of the Class predominate over any questions affecting only individual members, and
24 that a class action is superior to other available methods for the fair and efficient
25 adjudication of the controversy. The Action is hereby certified as a class action,
26 pursuant to Rules 23(a) and 23(b)(3) of the Federal Rules of Civil Procedure, on
27 behalf of a class of all Persons who purchased the common stock or call options of
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1 RINO, or sold put options of RINO, between March 31, 2009, and November 17,
2 2010, inclusive and who purport to have been damaged thereby. Excluded from the
3 class are Frazer, RINO and the Individual Defendants; the immediate family
4 members of each such excluded person; each of such excluded persons' current and
5 former officers, directors, partners, employees and affiliates; any entity in which any
6 such excluded person has a controlling interest; and the legal representatives, heirs,
7 predecessors, successors and assigns of any such excluded person or entity. Also
8 excluded from the Class are all the persons and entities listed on Exhibit 1 attached
9 hereto, each of whom timely filed a valid request for exclusion from the Class.

10 4. The Court hereby finds that the Notice described herein provided
11 the best notice practicable under the circumstances. Said Notice provided due and
12 adequate notice of these proceedings and the matters set forth herein, including the
13 Settlement, the Plan of Allocation, and the request for attorneys' fees,
14 reimbursement of expenses, and awards to Plaintiffs, to all Persons entitled to such
15 notice, and said Notice fully satisfied the requirements of Rule 23 of the Federal
16 Rules of Civil Procedure and the requirements of due process. Due and adequate
17 notice of the proceedings has been given to the Class, and a full opportunity has
18 been offered to the Class to object to the proposed Settlement and to participate in
19 the hearing thereon. Thus, it is hereby determined that all members of the Class who
20 did not elect to exclude themselves by written communication postmarked or
21 delivered on or before December 23, 2015, as required in the Notice of Proposed
22 Settlement and the Preliminary Approval Order, are bound by this Judgment.

23 5. The adequacy of representation of the Class by Plaintiffs is
24 hereby determined to be consistent with the requirements of Rule 23 of the Federal
25 Rules of Civil Procedure, due process, and the Private Securities Litigation Reform
26 Act of 1995 (the "PSLRA").

27 6. The Settlement is approved as fair, reasonable and adequate, and
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1 in the best interests of the Class Members. The Stipulation and the Settlement
2 contained therein are hereby finally approved in all respects and the Parties to the
3 Settlement are directed to consummate the Settlement in accordance with the terms
4 and provisions of the Stipulation.

5 7. The claims against Defendant in the Complaint are hereby
6 dismissed without costs and with prejudice in full and final discharge of any and all
7 claims which were or could have been asserted in the Action as against Defendant.

8 8. The Court finds that during the course of the Action, Plaintiffs,
9 Defendant and their respective counsel have at all times complied with the
10 requirements of Rule 11 of the Federal Rules of Civil Procedure.

11 9. Class Members, the successors and assigns of any of them, and
12 anyone claiming through or on behalf of any of them, are hereby permanently barred
13 and enjoined from instituting, commencing or prosecuting, either directly or in any
14 other capacity, any Released Claims against any of the Released Parties.

15 10. The Released Claims are hereby ordered as compromised,
16 settled, released, discharged and dismissed as to each of the Released Parties on the
17 merits and with prejudice by virtue of the proceedings herein and this Judgment.

18 11. The Released Parties are hereby permanently barred and
19 enjoined from instituting, commencing or prosecuting, either directly or in any other
20 capacity, any claim arising out of the filing, prosecution or maintenance or
21 resolution of the claims against Defendant in the Action as against the Plaintiffs,
22 Class Members, Lead Counsel or plaintiffs' attorneys, except claims relating to the
23 enforcement of the Stipulation.

24 12. Upon the Effective Date hereof, Defendant and Released Parties
25 shall be deemed a "settling covered person" entitled to the protections and benefits
26 of the Private Securities Litigation Reform Act of 1995, 15. U.S.C. § 78u-4(f)(7)(A),
27 and all past, present, or future claims for contribution against Defendant by any
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1 Person relating to or arising out of the claims against Defendant in the Action, or the
2 Settlement thereof, are hereby forever barred. Defendant is hereby permanently
3 barred, enjoined, and restrained from commencing, prosecuting or asserting any
4 such claim for contribution against any Released Party, based upon, relating to, or
5 arising out of the Settlement of the claims against Defendant in the Action in
6 accordance with the Stipulation.

7 13. Neither the Stipulation, nor any of its terms and provisions, nor
8 any of the negotiations or proceedings connected with it, nor any of the documents
9 or statements referred to therein shall be:

10 (a) Offered in evidence as proof of liability or a presumption,
11 concession or an admission by any of the Released Parties of the truth of any fact
12 alleged or the validity of any claim that has been, could have been or in the future
13 might be asserted in the Complaint or otherwise against the Released Parties, or of
14 any purported liability, fault, or wrongdoing of or by the Released Parties; or

15 (b) Offered or received in evidence as proof of a presumption,
16 concession or an admission of any purported liability, wrongdoing, fault,
17 misrepresentation or omission in any statement, document, report or financial
18 statement heretofore or hereafter issued, filed, approved or made by any of the
19 Released Parties or otherwise referred to for any other reason, other than for the
20 purpose of and in such proceeding as may be necessary for construing, terminating
21 or enforcing the Stipulation; or

22 (c) Construed as a concession or an admission that the Lead
23 Plaintiff or the Class Members have suffered any damage; or

24 (d) Construed as or received in evidence as an admission,
25 concession or presumption against Plaintiffs or the Class Members, or any of them,
26 that any of their claims are without merit or that damages recoverable under the
27 Complaint would not have exceeded the Settlement Fund.
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1 14. However, Defendant and/or the Released Parties may file the
2 Stipulation and/or the Judgment from this Action in any other action that may be
3 brought against them in order to support a defense or counterclaim based on
4 principles of *res judicata*, collateral estoppel, release, good faith settlement,
5 judgment bar or reduction, or any theory of claim preclusion or issue preclusion or
6 similar defense or counterclaim.

7 15. Exclusive jurisdiction is hereby retained over the Parties and the
8 Class Members for all matters relating to this litigation, including the
9 administration, interpretation, effectuation or enforcement of the Stipulation and this
10 Judgment.

11 (a) The finality of this Judgment shall not be affected, in any
12 manner, by rulings that the Court may make on the motions for approval of:
13 Plaintiffs' Plan of Allocation; and Lead Counsel's application for an award of
14 attorneys' fees, reimbursement of expenses, and awards to Plaintiffs. However,
15 Frazer shall have no obligation to make any payment into the Escrow Account
16 except as specifically provided in the Stipulation, and there shall be no distribution
17 of any of the Settlement Amount to any Class Member until a plan of allocation is
18 finally approved and is affirmed on appeal and/or is no longer subject to review by
19 appeal or certiorari, and the time for any petition for rehearing, appeal, or review, by
20 certiorari or otherwise, has expired.

21 16. In the event that the Settlement does not become Effective in
22 accordance with the terms of the Stipulation, or the Effective Date does not occur,
23 this Judgment shall be rendered null and void and shall be vacated and, in such
24 event, all orders entered and releases delivered in connection herewith shall be null
25 and void, and the Settlement Amount or any portion thereof or interest thereon, if
26 previously paid by Frazer, shall be returned to Frazer as provided in the Stipulation.

27 17. There is no just reason for delay in the entry of this Judgment
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and immediate entry by the Clerk of the Court is expressly directed pursuant to Rule 54(b) of the Federal Rules of Civil Procedure.

Dated: February 1, 2016



Dean D. Pregerson
United States District Court Judge