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UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

IN RE:

FAT BRANDS INC. SECURITIES
LITIGATION

Case Nos. 2:22-cv-01820-MCS-RAO
2:22-cv-02541-MCS-RAO

Hon. Mark C. Scarsi

CLASS ACTION

ORDER AND FINAL JUDGMENT

1 On the 28th day of February, 2023, a hearing having been held before this
2 Court to determine: (1) whether the terms and conditions of the Stipulation of
3 Settlement dated September 23, 2022 (“Stipulation”) are fair, reasonable and
4 adequate for the settlement of all claims asserted by the Settlement Class against
5 Defendants (as defined in the Stipulation), including the release of the Released
6 Claims against the Released Parties, and should be approved; (2) whether judgment
7 should be entered dismissing this Action with prejudice; (3) whether to approve the
8 proposed Plan of Allocation as a fair and reasonable method to allocate the Net
9 Settlement Fund among Settlement Class Members; (4) whether and in what
10 amount to award Lead Counsel as fees and reimbursement of expenses; and (5)
11 whether and in what amount to approve an award to the Plaintiffs; and

12 The Court having considered all matters submitted to it at the hearing and
13 otherwise; and

14 It appearing in the record that the Notice substantially in the form approved
15 by the Court in the Court’s Order Re: Motion for Preliminary Approval of Class
16 Action Settlement, dated November 8, 2022 (“Preliminary Approval Order”) was
17 disseminated to all reasonably identifiable Settlement Class Members and posted to
18 the website of the Claims Administrator, both in accordance with the Preliminary
19 Approval Order and the specifications of the Court; and

20 NOW, THEREFORE, IT IS HEREBY ORDERED, ADJUDGED AND
21 DECREED THAT:

22 1. All capitalized terms used herein have the same meanings as set forth
23 and defined in the Stipulation.

24 2. For purposes of this Settlement, the Court has jurisdiction over the
25 subject matter of the Action, Plaintiffs, all Settlement Class Members, and
26 Defendants.

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1 3. The Court finds that the prerequisites for a class action under Rule
2 23(a) and (b)(3) of the Federal Rules of Civil Procedure have been satisfied in that:
3 (a) the number of Settlement Class Members is so numerous that joinder of all
4 members thereof is impracticable; (b) there are questions of law and fact common
5 to the Settlement Class; (c) Plaintiffs' claims are typical of the claims of the
6 Settlement Class they seek to represent; (d) Plaintiffs fairly and adequately
7 represent the interests of the Settlement Class; (e) questions of law and fact common
8 to the members of the Settlement Class predominate over any questions affecting
9 only individual members of the Settlement Class; and (f) a class action is superior
10 to other available methods for the fair and efficient adjudication of this Action. The
11 Settlement Class is being certified for settlement purposes only.

12 4. The Court hereby finally certifies this action as a class action for
13 purposes of the Settlement, pursuant to Rule 23(a) and (b)(3) of the Federal Rules
14 of Civil Procedure, on behalf of all Persons who purchased publicly traded FAT
15 Brands, Inc. ("FAT Brands") securities during the period from December 4, 2017
16 through February 18, 2022, both dates inclusive ("Settlement Class Period"), except
17 that excluded from the Settlement Class are: (a) persons who suffered no
18 compensable losses; and (b) Defendants; the officers, directors, and affiliates of
19 FAT Brands at all relevant times; FAT Brands' employee retirement or benefit
20 plan(s) and their participants or beneficiaries to the extent they purchased or
21 acquired FAT Brands securities through any such plan(s); immediate family
22 members, legal representatives, heirs, successors or assigns of any excluded person
23 or entity; and any entity affiliated with any excluded person or in which any
24 excluded person or entity has a controlling interest. Also excluded from the
25 Settlement Class are Persons who filed valid and timely requests for exclusion from
26 the Settlement Class in accordance with this Preliminary Approval Order, as listed
27 on Schedule A to this Final Judgment. Pursuant to Rule 23 of the Federal Rules of
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1 Civil Procedure, Plaintiffs are certified as the class representatives on behalf of the
2 Settlement Class (“Class Representatives”) and Lead Counsel previously selected
3 by Lead Plaintiff and appointed by the Court are hereby appointed as Class Counsel
4 for the Settlement Class (“Class Counsel”).

5 5. In accordance with the Court’s Preliminary Approval Order, the Court
6 hereby finds that the forms and methods of notifying the Settlement Class of the
7 Settlement and its terms and conditions met the requirements of due process, Rule
8 23 of the Federal Rules of Civil Procedure, and Section 21D(a)(7) of the Exchange
9 Act, 15 U.S.C. § 78u-4(a)(7), as amended by the Private Securities Litigation
10 Reform Act of 1995; constituted the best notice practicable under the
11 circumstances; and constituted due and sufficient notice of these proceedings and
12 the matters set forth herein, including the Settlement and Plan of Allocation, to all
13 persons and entities entitled to such notice. No Settlement Class Member is relieved
14 from the terms and conditions of the Settlement, including the releases provided for
15 in the Stipulation, based upon the contention or proof that such Settlement Class
16 Member failed to receive actual or adequate notice. A full opportunity has been
17 offered to the Settlement Class Members to object to the proposed Settlement and
18 to participate in the hearing thereon. Thus, it is hereby determined that all
19 Settlement Class Members are bound by this Final Judgment except those persons
20 listed on Schedule A to this Final Judgment.

21 6. The Settlement is approved as fair, reasonable and adequate, and in the
22 best interests of the Settlement Class. This Court further finds that the Settlement
23 set forth in the Stipulation is the result of good faith, arm’s-length negotiations
24 between experienced counsel representing the interests of Class Representatives,
25 Settlement Class Members, and Defendants. The Parties are directed to
26 consummate the Settlement in accordance with the terms and provisions of the
27 Stipulation.

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1 7. The Action and all claims contained therein, as well as all of the
2 Released Claims, are dismissed with prejudice as against each and all of the
3 Defendants. The Parties are to bear their own costs, except as otherwise provided
4 in the Settlement Stipulation.

5 8. Upon the Effective Date, the Releasing Parties, on behalf of
6 themselves, their successors and assigns, and any other Person claiming (now or in
7 the future) through or on behalf of them, regardless of whether any such Releasing
8 Party ever seeks or obtains by any means, including without limitation by
9 submitting a Proof of Claim, any disbursement from the Settlement Fund, shall be
10 deemed to have, and by operation of this Final Judgment shall have, fully, finally,
11 and forever compromised, settled, resolved, released, relinquished, waived,
12 dismissed and discharged all Released Claims against the Released Parties and shall
13 have covenanted not to sue the Released Parties with respect to any and all Released
14 Claims, and shall be permanently barred and enjoined from asserting, commencing,
15 prosecuting, instituting, assisting, instigating, or in any way participating in the
16 commencement or prosecution of any action or other proceeding, in any forum,
17 asserting any Released Claim, in any capacity, against any of the Released Parties.
18 For the avoidance of doubt, Defendants are released from any and all claims for
19 contribution or indemnity, as would otherwise be allowed by Section 21D of the
20 Exchange Act, 15 U.S.C. §78u-4(f)(7). Nothing contained herein shall, however,
21 bar the Releasing Parties from bringing any action or claim to enforce the terms of
22 the Stipulation or this Final Judgment. Nor shall anything contained herein limit or
23 release any claims Defendants may have with regard to insurance coverage that may
24 be available to them under any applicable policy. This release shall not apply to any
25 Settlement Class Members who timely and properly exclude themselves from the
26 Settlement Class.

1 9. With respect to any and all Released Claims, the Releasing Parties
2 shall waive, shall be deemed to have waived, and by operation of this Final
3 Judgment shall have waived, the provisions, rights, and benefits of California Civil
4 Code § 1542, which provides:

5 A general release does not extend to claims that the
6 creditor or releasing party does not know or suspect to
7 exist in his or her favor at the time of executing the release
8 and that, if known by him or her, would have materially
9 affected his or her settlement with the debtor or released
party.

10 10. With respect to any and all Released Claims, the Releasing Parties
11 shall waive, shall be deemed to have waived, and by operation of this Final
12 Judgment shall have waived, any and all provisions, rights and benefits conferred
13 by any law of any state, territory, foreign country or principle of common law,
14 which is similar, comparable or equivalent to California Civil Code § 1542. The
15 Releasing Parties may hereafter discover facts in addition to or different from those
16 which they now knows or believes to be true with respect to the Released Claims,
17 but the Releasing Parties, upon the Effective Date, shall be deemed to have, and by
18 operation of this Final Judgment shall have, fully, finally and forever settled and
19 released, any and all Released Claims, known or unknown, suspected or
20 unsuspected, contingent or non-contingent, whether or not concealed or hidden,
21 which now exist, or heretofore have existed, upon any theory of law or equity now
22 existing or coming into existence in the future, including, but not limited to, conduct
23 which is negligent, intentional, with or without malice, or a breach of fiduciary duty,
24 law or rule, without regard to the subsequent discovery or existence of such
25 different or additional facts. The Releasing Parties acknowledge and the Settlement
26 Class Members shall be deemed by operation of this Final Judgment to have
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1 acknowledged, that the foregoing waiver was separately bargained for and a key
2 element of the Settlement.

3 11. Upon the Effective Date, the Released Parties shall be deemed to have,
4 and by operation of the Final Judgment shall have, fully, finally, and forever
5 released, relinquished, and discharged all claims they may have against the
6 Releasing Parties related to the Releasing Parties' prosecution of the Action or any
7 other known or unknown counter-claim related thereto and shall have covenanted
8 not to sue the Releasing Parties with respect to any counter claim, claim, or sanction
9 related to the Released Claims, and shall be permanently barred and enjoined from
10 asserting, commencing, prosecuting, instituting, assisting, instigating, or in any way
11 participating in the commencement or prosecution of any action or other
12 proceeding, in any forum, asserting any such claim, in any capacity, against any of
13 the Releasing Parties. Nothing contained herein shall, however, bar the Released
14 Parties from bringing any action or claim to enforce the terms of this Stipulation or
15 the Final Judgment.

16 12. The Court finds that all Parties and their counsel have complied with
17 all requirements of Rule 11 of the Federal Rules of Civil Procedure and the Private
18 Securities Litigation Record Act of 1995 as to all proceedings herein.

19 13. Neither this Final Judgment, the Stipulation (nor the Settlement
20 contained therein), nor any of its terms and provisions, nor any of the negotiations,
21 documents or proceedings connected with them is evidence, or an admission or
22 concession by any Party or their counsel, any Settlement Class Member, or any of
23 the Released Parties, of any fault, liability or wrongdoing whatsoever, as to any
24 facts or claims alleged or asserted in the Action or could have been alleged or
25 asserted, or any other actions or proceedings, or as to the validity or merit of any of
26 the claims or defenses alleged or asserted or could have been alleged or asserted in
27 any such action or proceeding. This Final Judgment is not a finding or evidence of
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1 the validity or invalidity of any claims or defenses in the Action, any wrongdoing
2 by any Party, Settlement Class Member, or any of the Released Parties, or any
3 damages or injury to any Party, Settlement Class Member, or any Released Parties.
4 Neither this Final Judgment, the Stipulation (nor the Settlement contained therein),
5 nor any of its terms and provisions, nor any of the negotiations, documents or
6 proceedings connected with therewith (a) shall (i) be argued to be, used or construed
7 as, offered or received in evidence as, or otherwise constitute an admission,
8 concession, presumption, proof, evidence, or a finding of any, liability, fault,
9 wrongdoing, injury or damages, or of any wrongful conduct, acts or omissions on
10 the part of any Released Party, or of any infirmity of any defense, or of any damages
11 to Class Representatives or any other Settlement Class Member, or (ii) otherwise
12 be used to create or give rise to any inference or presumption against any of the
13 Released Parties concerning any fact or any purported liability, fault, or wrongdoing
14 of the Released Parties or any injury or damages to any person or entity, or (b) shall
15 otherwise be admissible, referred to or used in any proceeding of any nature, for
16 any purpose whatsoever; provided, however, that this Final Judgment, the
17 Stipulation, or the documents related thereto may be introduced in any proceeding,
18 whether in the Court or otherwise, as may be necessary to enforce the Settlement or
19 Final Judgment, to effectuate the liability protection granted them hereunder, to
20 support a defense or counterclaim based on principles of *res judicata*, collateral
21 estoppel, release, good faith settlement, judgment bar or reduction, offset or any
22 other theory of claim preclusion or issue preclusion or similar defense or
23 counterclaim or as otherwise required by law.

24 14. Except as otherwise provided herein or in the Stipulation, all funds and
25 Settlement Shares held by the Escrow Agent shall be deemed to be in *custodia legis*
26 and shall remain subject to the jurisdiction of the Court until such time as the funds
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1 are distributed or returned pursuant to the Stipulation and/or further order of the
2 Court.

3 15. Exclusive jurisdiction is hereby retained over the Parties and the
4 Settlement Class Members for all matters relating to the Action, including the
5 administration, interpretation, effectuation or enforcement of the Stipulation and
6 this Final Judgment, and including any application for fees and expenses incurred
7 in connection with administering and distributing the Settlement Fund to the
8 Settlement Class Members.

9 16. Without further order of the Court, Defendants and Class
10 Representatives may agree to reasonable extensions of time to carry out any of the
11 provisions of the Stipulation.

12 17. There is no just reason for delay in the entry of this Final Judgment
13 and immediate entry by the Clerk of the Court is expressly directed pursuant to Rule
14 54(b) of the Federal Rules of Civil Procedure.

15 18. The finality of this Final Judgment shall not be affected, in any
16 manner, by rulings that the Court makes herein on the proposed Plan of Allocation
17 or Class Counsel's application for an award of attorneys' fees and expenses or an
18 award to Class Representatives.

19 19. The Court hereby finds that the proposed Plan of Allocation is a fair
20 and reasonable method to allocate the Net Settlement Fund among Settlement Class
21 Members, and Class Counsel and the Claims Administrator are directed to
22 administer the Plan of Allocation in accordance with its terms and the terms of the
23 Stipulation.

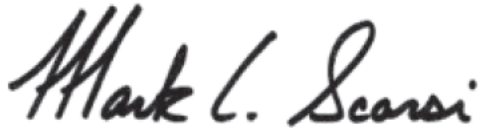
24 20. Class Counsel are hereby awarded 25% of the Settlement Amount, or
25 \$625,000.00 in cash and \$125,000.00 worth of FAT Brands Class A common stock,
26 in fees, which the Court finds to be fair and reasonable, and \$45,000.00 in
27 reimbursement of out-of-pocket expenses. Class Representatives are hereby
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1 awarded \$1,500.00 each, which the Court finds to be fair and reasonable.
2 Defendants and the Released Parties shall have no responsibility for, and no liability
3 whatsoever with respect to, any payments to Class Counsel, Class Representatives,
4 the Settlement Class and/or any other Person who receives payment from the
5 Settlement Fund.

6 21. In the event the Settlement is not consummated in accordance with the
7 terms of the Stipulation, then the Stipulation and this Final Judgment (including any
8 amendment(s) thereof, and except as expressly provided in the Stipulation or by
9 order of the Court) shall be shall have no further force and effect with respect to the
10 Parties and shall not be used in the Action or in any other proceeding for any
11 purpose, and any judgment or order entered by the Court in accordance with the
12 terms of this Stipulation shall be treated as vacated, *nunc pro tunc*, and each Party
13 shall be restored to his, her or its respective litigation positions as they existed prior
14 to August 10, 2022, pursuant to the terms of the Stipulation.

15 22. To the extent the Settlement Shares include securities that are not
16 registered pursuant to the Securities Act of 1933, the Court finds, pursuant to
17 Section 3(a)(10) of the Securities Act of 1933, as amended, that under the terms of
18 the Settlement, the exchange of said securities for Settlement Class Members'
19 claims and Class Counsel's services in this action is fair.

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22 Dated: February 28, 2023



HON. MARK C. SCARSI
UNITED STATES DISTRICT JUDGE

Schedule A

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1. Raymond C. Maratea