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UNITED STATES DISTRICT COURT
 NORTHERN DISTRICT OF CALIFORNIA
 SAN FRANCISCO DIVISION

CHRISTINE KUEHBECK, on behalf of herself
 and all others similarly situated,

Plaintiff,

v.

GENESIS MICROCHIP INC., AMNON
 FISHER, ERIC ERDMAN, and ANDERS
 FRISK

Defendants.

CASE NO.: C02 05344 JSW
 CLASS ACTION
 STIPULATION OF SETTLEMENT

Before: Hon. Jeffrey S. White

1 This Stipulation of Settlement dated as of May 25, 2006 (the "Stipulation"), is made and
2 entered into by and among the following Settling Parties (as defined further in Section IV hereof)
3 to the above-entitled Litigation: (i) the Lead Plaintiff (on behalf of herself and each of the
4 Settlement Class Members), by and through her counsel of record in the Litigation; and (ii) the
5 Defendants, by and through their counsel of record in the Litigation. The Stipulation is intended
6 by the Settling Parties to fully, finally and forever resolve, discharge and settle the Released
7 Claims, upon and subject to the terms and conditions hereof.

8 **I. THE LITIGATION**

9 On November 7, 2002, this action was filed in the United States District Court for the
10 Northern District of California as a securities class action on behalf of purchasers of Genesis
11 Microchip Inc. ("Genesis") common stock on the open market during the period April 29, 2002
12 through June 14, 2002 (the "Litigation").

13 On May 21, 2003, the Court appointed Christine Kuehbeck as Lead Plaintiff pursuant to
14 Section 21D(a)(3)(B) of the Securities Exchange Act of 1934 and approved her selection of Wolf
15 Popper LLP as Lead Counsel.

16 On July 3, 2003, plaintiff filed a First Amended Complaint for Violation of the Federal
17 Securities Laws. On March 29, 2004, the Court dismissed the First Amended Complaint with
18 leave to amend. On May 17, 2004, plaintiff filed the Second Amended Class Action Complaint
19 for Violation of the Federal Securities Laws (the "Complaint"). The Complaint alleged
20 violations of Sections 10(b) and 20(a) of the Securities Exchange Act of 1934 and SEC Rule
21 10b-5 promulgated thereunder on behalf of a class of purchasers of Genesis common stock on
22 the open market during the period April 29, 2002 through June 14, 2002. On July 27, 2005, the
23 Court dismissed the Complaint with prejudice. On September 19, 2005, the Court entered Final
24 Judgment in favor of defendants. On October 17, 2005, Lead Plaintiff filed a notice of appeal.

25 **II. DEFENDANTS' DENIALS OF WRONGDOING AND LIABILITY**

26 The Defendants have denied and continue to deny each and all of the claims and
27 contentions alleged by the Lead Plaintiff in the Litigation. The Defendants expressly have
28 denied and continue to deny all charges of wrongdoing or liability against them arising out of

1 any of the conduct, statements, acts or omissions alleged, or that could have been alleged, in the
2 Litigation. The Defendants also have denied and continue to deny, *inter alia*, the allegations that
3 the Lead Plaintiff or the Settlement Class have suffered damage, that the price of Genesis
4 common stock was artificially inflated by reasons of alleged misrepresentations, non-disclosures
5 or otherwise, and that the Lead Plaintiff or the Settlement Class were harmed by the conduct
6 alleged in the Complaint.

7 Nonetheless, the Defendants have concluded that further conduct of the Litigation would
8 be protracted and expensive, and that it is desirable that the Litigation be fully and finally settled
9 in the manner and upon the terms and conditions set forth in this Stipulation. The Defendants
10 also have taken into account the uncertainty and risks inherent in any litigation, especially in
11 complex cases like this Litigation. The Defendants have, therefore, determined that it is
12 desirable and beneficial to them that the Litigation be settled in the manner and upon the terms
13 and conditions set forth in this Stipulation.

14 **III. CLAIMS OF THE LEAD PLAINTIFF AND BENEFITS OF SETTLEMENT**

15 The Lead Plaintiff believes that the claims asserted in the Litigation have merit and that
16 the evidence developed to date supports the claims. However, the Lead Plaintiff recognizes and
17 acknowledges the expense and length of continued proceedings necessary to prosecute the
18 Litigation against the Defendants through trial and through appeals. The Lead Plaintiff also has
19 taken into account the uncertain outcome and the risk of any litigation, especially in complex
20 actions such as this Litigation, as well as the difficulties and delays inherent in such litigation.
21 Among other things, the Lead Plaintiff has considered the fact that the Complaint was dismissed
22 with prejudice and the possibility that the dismissal could be affirmed on appeal. The Lead
23 Plaintiff also is mindful of the inherent problems of proof under and possible defenses to the
24 securities law violations asserted in the Litigation even if the dismissal were to be reversed in the
25 pending appeal. The Lead Plaintiff believes that the settlement set forth in the Stipulation
26 confers substantial benefits upon the Settlement Class. Based on their evaluation, the Lead
27 Plaintiff and Lead Counsel have determined that the settlement set forth in the Stipulation is in
28 the best interests of the Lead Plaintiff and the Settlement Class.

1 **IV. TERMS OF STIPULATION AND AGREEMENT OF SETTLEMENT**

2 NOW, THEREFORE, IT IS HEREBY STIPULATED AND AGREED by and among the
3 Lead Plaintiff (for herself and the Settlement Class Members) and the Defendants, by and
4 through their respective counsel or attorneys of record, that, subject to the approval of the Court,
5 the Litigation and the Released Claims shall be finally and fully compromised, settled and
6 released, and the Litigation shall be dismissed with prejudice, as to all Settling Parties, upon and
7 subject to the terms and conditions of the Stipulation, as follows.

8 **1. Definitions**

9 As used in the Stipulation the following terms have the meanings specified below:

10 1.1 "Authorized Claimant" means any Settlement Class Member whose claim for
11 recovery has been allowed pursuant to the terms of the Stipulation.

12 1.2 "Claimant" means any Settlement Class Member who files a Proof of Claim in
13 such form and manner, and within such time, as the Court shall prescribe.

14 1.3 "Claims Administrator" means the firm of Garden City Group, Inc.

15 1.4 "Defendants" means Genesis and the Individual Defendants.

16 1.5 "Effective Date" means the first date by which all of the events and conditions
17 specified in ¶7.1 of the Stipulation have been met and have occurred.

18 1.6 "Escrow Agent" means the law firm of Wolf Popper LLP or its successor(s).

19 1.7 "Final" means when the last of the following with respect to the Judgment
20 approving the Stipulation, substantially in the form of Exhibit B hereto, shall occur: (i) the
21 expiration of three (3) business days after the time to file a motion to alter or amend the
22 Judgment under Federal Rule of Civil Procedure 59(e) has passed without any such motion
23 having been filed; (ii) the expiration of three (3) business days after the time in which to appeal
24 the Judgment has passed without any appeal having been taken (which date shall be deemed to
25 be thirty-three (33) days following the entry of the Judgment, unless the date to take such an
26 appeal shall have been extended by Court order or otherwise, or unless the 33rd day falls on a
27 weekend or a Court holiday, in which case the date for purposes of this Stipulation shall be
28 deemed to be the next business day after such 33rd day); and (iii) if such motion to alter or

1 amend is filed or if an appeal is taken, three (3) business days after the determination of that
2 motion or appeal in such a manner as to permit the consummation of the settlement substantially
3 in accordance with the terms and conditions of this Stipulation. For purposes of this paragraph,
4 an “appeal” shall not include any appeal that concerns only the issue of attorneys’ fees and
5 reimbursement of costs or the Plan of Allocation of the Settlement Fund.

6 1.8 “Individual Defendants” means Amnon Fisher, Eric Erdman and Anders Frisk.

7 1.9 “Judgment” means the judgment to be rendered by the Court, substantially in the
8 form attached hereto as Exhibit B.

9 1.10 “Lead Counsel” means Wolf Popper LLP, Robert C. Finkel, Danielle Disporto,
10 845 Third Avenue, New York, New York 10022.

11 1.11 “Lead Plaintiff” means Christine Kuehbeck.

12 1.12 “Person” means an individual, corporation, partnership, limited partnership,
13 association, joint stock company, estate, legal representative, trust, unincorporated association,
14 government or any political subdivision or agency thereof, and any business or legal entity and
15 their spouses, heirs, predecessors, successors, representatives, or assignees.

16 1.13 “Plan of Allocation” means a plan or formula of allocation of the Settlement Fund
17 whereby the Settlement Fund shall be distributed to Authorized Claimants after payment of
18 expenses of notice and administration of the settlement, Taxes and Tax Expenses and such
19 attorneys’ fees, costs, expenses and interest as may be awarded by the Court. Any Plan of
20 Allocation is not part of the Stipulation and Defendants and their Related Parties shall have no
21 responsibility therefore or liability with respect thereto.

22 1.14 “Related Parties” means each of a Defendant’s past or present directors, officers,
23 employees, partners, insurers, co-insurers, reinsurers, agents, controlling shareholders, attorneys,
24 accountants or auditors, advisors, investment advisors, personal or legal representatives,
25 predecessors, successors, parents, subsidiaries, divisions, joint ventures, assigns, spouses, heirs,
26 related or affiliated entities, any entity in which a Defendant has a controlling interest, any
27 members of an Individual Defendant’s immediate family, or any trust of which the Individual
28 Defendant is the settlor or which is for the benefit of the Individual Defendant’s family.

1 1.15 “Released Claims” shall collectively mean all claims (including “Unknown
2 Claims” as defined in ¶1.22 hereof), demands, rights, liabilities and causes of action of every
3 nature and description whatsoever, known or unknown, whether or not concealed or hidden,
4 asserted or that might have been asserted, including, without limitation, claims for negligence,
5 gross negligence, breach of duty of care and/or breach of duty of loyalty, fraud, breach of
6 fiduciary duty, or violations of any state or federal statutes, rules or regulations, by Lead Plaintiff
7 or any Settlement Class Member against the Defendants or their Related Parties arising out of,
8 relating to, or in connection with the purchase or acquisition of Genesis common stock by Lead
9 Plaintiff or any Settlement Class Member during the Settlement Class Period and any and all
10 claims arising out of, relating to, or in connection with the settlement or resolution of this matter.

11 1.16 “Released Persons” means each and all of the Defendants and each and all of their
12 Related Parties.

13 1.17 “Settlement Class” means all Persons who purchased or acquired Genesis
14 common stock on the open market during the period between April 29, 2002 and June 14, 2002,
15 inclusive. Excluded from the Settlement Class are Defendants, members of the immediate
16 families of the Individual Defendants, any entity in which any Defendant has or had a controlling
17 interest, current or former directors and officers of Genesis, and the legal representatives, heirs,
18 successors, or assigns of any such excluded person or entity. Also excluded from the Settlement
19 Class are those Persons who timely and validly request exclusion from the Settlement Class
20 pursuant to the Notice of Pendency and Proposed Settlement of Class Action.

21 1.18 “Settlement Class Member” or “Member of the Settlement Class” mean a Person
22 who falls within the definition of the Settlement Class as set forth in ¶1.17 of the Stipulation.

23 1.19 “Settlement Class Period” means the period commencing on April 29, 2002
24 through June 14, 2002, inclusive.

25 1.20 “Settlement Fund” means the principal amount of \$1,750,000 (one million seven
26 hundred fifty thousand dollars) in cash to be paid to the Escrow Agent pursuant to ¶2.1 of this
27 Stipulation, plus all interest earned thereon pursuant to ¶¶2.1, 2.2 and 2.6.

28

1 1.21 “Settling Parties” means, collectively, each of the Defendants and the Lead
2 Plaintiff on behalf of herself and Settlement Class Members.

3 1.22 “Unknown Claims” shall collectively mean all claims, demands, rights, liabilities,
4 and causes of action of every nature and description which any Lead Plaintiff or Settlement Class
5 Member does not know or suspect to exist in his, her or its favor at the time of the release of the
6 Released Persons which, if known by him, her or it, might have affected his, her or its settlement
7 with and release of the Released Persons, or might have affected his, her or its decision not to
8 object to this settlement. With respect to any and all Released Claims, the Settling Parties
9 stipulate and agree that, upon the Effective Date, the Lead Plaintiff shall expressly waive, and
10 each of the Settlement Class Members shall be deemed to have waived, and by operation of the
11 Judgment shall have waived, the provisions, rights and benefits of California Civil Code §1542,
12 which provides:

13 **A general release does not extend to claims which the creditor does not know or**
14 **suspect to exist in his or her favor at the time of executing the release, which if known by**
15 **him or her must have materially affected his or her settlement with the debtor.**

16 The Lead Plaintiff shall expressly and each of the Settlement Class Members shall be
17 deemed to have, and by operation of the Judgment shall have, expressly waived any and all
18 provisions, rights and benefits conferred by any law of any state or territory of the United States,
19 or principle of common law, which is similar, comparable or equivalent to California Civil Code
20 §1542. The Lead Plaintiff and Settlement Class Members may hereafter discover facts in
21 addition to or different from those which he, she or it now knows or believes to be true with
22 respect to the subject matter of the Released Claims, but the Lead Plaintiff shall expressly, fully,
23 finally and forever settle and release, and each Settlement Class Member, upon the Effective
24 Date, shall be deemed to have, and by operation of the Judgment shall have, fully, finally, and
25 forever settled and released, any and all Released Claims, known or unknown, suspected or
26 unsuspected, contingent or non-contingent, whether or not concealed or hidden, which now exist,
27 or heretofore have existed, upon any theory of law or equity now existing or coming into
28 existence in the future, including, but not limited to, conduct which is negligent, intentional, with

1 or without malice, or a breach of any duty, law or rule, without regard to the subsequent
2 discovery or existence of such different or additional facts. The Lead Plaintiff acknowledges,
3 and the Settlement Class Members shall be deemed by operation of the Judgment to have
4 acknowledged, that the foregoing waiver was separately bargained for and a key element of the
5 settlement of which this release is a part.

6 **2. The Settlement**

7 **a. The Settlement Fund**

8 2.1 The principal amount of \$1,750,000 (one million seven hundred fifty thousand
9 dollars) in cash shall be transferred by or on behalf of Defendants to the Escrow Agent as
10 follows: (a) \$75,000 to establish a "Class Notice and Administration Fund" on the later of June
11 15, 2006 or five (5) business days after entry of the Notice Order (as defined in ¶ 3.1 herein); and
12 (b) \$1,675,000 on the later of 60 days from the signing of the Stipulation or 3 (three) business
13 days after entry of the Notice Order. If the agreed upon sums are not timely transferred to the
14 Escrow Agent, the untransferred portion shall bear interest at 5% per annum from the date due
15 until such amount is transferred to the Escrow Agent. Upon execution of the Stipulation, Lead
16 Counsel shall provide to Genesis' counsel wire transfer instructions for the transfer of the
17 Settlement Fund to the Escrow Agent.

18 **b. The Escrow Agent**

19 2.2 The Escrow Agent may invest the Settlement Fund deposited pursuant to ¶2.1
20 hereof in instruments of no greater than six-months duration backed by the full faith and credit of
21 the United States Government or fully insured by the United States Government or an agency
22 thereof and shall reinvest the proceeds of these instruments as they mature in similar instruments
23 at their then-current market rates. The Settling Parties shall bear no responsibilities or risks
24 related to investment of the Settlement Fund.

25 2.3 The Escrow Agent shall not disburse the Settlement Fund except as provided in
26 the Stipulation, by an order of the Court, or with the written agreement of counsel for
27 Defendants.

28

1 2.4 Subject to further order and/or direction as may be made by the Court, the Escrow
2 Agent is authorized to execute such transactions on behalf of the Settlement Class Members as
3 are consistent with the terms of the Stipulation.

4 2.5 All funds held by the Escrow Agent shall be deemed and considered to be in
5 *custodia legis* of the Court, and shall remain subject to the jurisdiction of the Court, until such
6 time as such funds shall be distributed pursuant to the Stipulation and/or further order(s) of the
7 Court.

8 2.6 The Class Notice and Administration Fund may be used by Lead Counsel to pay
9 costs and expenses reasonably and actually incurred in connection with providing notice to the
10 Settlement Class, locating Settlement Class Members, soliciting claims, assisting with the filing
11 of claims, administering and distributing the Settlement Fund to Authorized Claimants,
12 processing Proof of Claim and Release forms and paying escrow fees and costs, if any. The
13 Class Notice and Administration Fund may also be invested and earn interest as provided for in
14 ¶2.2 of this Stipulation. In no event shall Defendants or their Related Parties have any
15 responsibility for or liability with respect to the Escrow Agent or its actions or the Class Notice
16 and Administration Fund. The Escrow Agent may, with the approval of the Court, if necessary,
17 utilize a portion of the balance of the settlement fund for the expenses of class notice and
18 administration.

19 c. **Taxes**

20 2.7 (a) Settling Parties and the Escrow Agent agree to treat the Settlement Fund
21 as being at all times a “qualified settlement fund” within the meaning of Treas. Reg. §1.468B-1.
22 In addition, the Escrow Agent shall timely make such elections as necessary or advisable to carry
23 out the provisions of this ¶2.7, including the “relation-back election” (as defined in Treas. Reg.
24 §1.468B-1) back to the earliest permitted date. Such elections shall be made in compliance with
25 the procedures and requirements contained in such regulations. It shall be the responsibility of
26 the Escrow Agent to timely and properly prepare and deliver the necessary documentation for
27 signature by all necessary parties, and thereafter to cause the appropriate filing to occur.

28

1 (b) For the purpose of §468B of the Internal Revenue Code of 1986, as
2 amended, and the regulations promulgated thereunder, the “administrator” shall be the Escrow
3 Agent. The Escrow Agent shall timely and properly file all informational and other tax returns
4 necessary or advisable with respect to the Settlement Fund (including without limitation the
5 returns described in Treas. Reg. §1.468B-2(k)). Such returns (as well as the election described in
6 ¶2.7(a) hereof) shall be consistent with this ¶2.7 and in all events shall reflect that all Taxes
7 (including any estimated Taxes, interest or penalties) on the income earned by the Settlement
8 Fund shall be paid out of the Settlement Fund as provided in ¶2.7(c) hereof.

9 (c) All (a) Taxes (including any estimated Taxes, interest or penalties) arising
10 with respect to the income earned by the Settlement Fund, including any Taxes or tax detriments
11 that may be imposed upon the Defendants or their Related Parties with respect to any income
12 earned by the Settlement Fund for any period during which the Settlement Fund does not qualify
13 as a “qualified settlement fund” for federal or state income tax purposes (“Taxes”), and (b)
14 expenses and costs incurred in connection with the operation and implementation of this ¶2.7
15 (including, without limitation, expenses of tax attorneys and/or accountants and mailing and
16 distribution costs and expenses relating to filing (or failing to file) the returns described in this
17 ¶2.7 (“Tax Expenses”), shall be paid out of the Settlement Fund; in no event shall the
18 Defendants or their Related Parties have any responsibility for or liability with respect to the
19 Taxes or the Tax Expenses. The Escrow Agent shall indemnify and hold each of the Defendants
20 and their Related Parties harmless for Taxes and Tax Expenses (including, without limitation,
21 Taxes payable by reason of any such indemnification). Further, Taxes and Tax Expenses shall
22 be treated as, and considered to be, a cost of administration of the Settlement Fund and shall be
23 timely paid by the Escrow Agent out of the Settlement Fund without prior order from the Court
24 and the Escrow Agent shall be obligated (notwithstanding anything herein to the contrary) to
25 withhold from distribution to Authorized Claimants any funds necessary to pay such amounts
26 including the establishment of adequate reserves for any Taxes and Tax Expenses (as well as any
27 amounts that may be required to be withheld under Treas. Reg. §1.468B-2(1)(2)); neither the
28 Defendants nor their Related Parties are responsible therefore nor shall they have any liability

1 with respect thereto. The parties hereto agree to cooperate with the Escrow Agent, each other,
2 and their tax attorneys and accountants to the extent reasonably necessary to carry out the
3 provisions of this ¶2.7.

4 (d) For the purpose of this ¶2.7, references to the Settlement Fund shall
5 include both the Settlement Fund and the Class Notice and Administration Fund and shall also
6 include any earnings thereon.

7 **d. Termination of Settlement**

8 2.8 In the event that the Stipulation is not approved, or is terminated, canceled, or
9 fails to become effective for any reason, the Settlement Fund (including accrued interest) less
10 expenses, (including taxes and/or expenses) actually incurred or due and owing in connection
11 with the settlement provided for herein shall be refunded to Defendants' insurer, as provided in
12 ¶7.3 below.

13 **3. Notice Order and Settlement Hearing**

14 3.1 Promptly after execution of the Stipulation, the Settling Parties shall submit the
15 Stipulation together with its Exhibits to the Court and shall apply for entry of an order (the
16 "Notice Order"), substantially in the form of Exhibit A hereto, requesting, *inter alia*, the
17 preliminary approval of the settlement set forth in the Stipulation, the certification of the
18 Settlement Class for settlement purposes, and approval for mailing the Notice of Pendency and
19 Proposed Settlement of Class Action (the "Notice") substantially in the form of Exhibit A-1
20 hereto and publication of a Summary Notice substantially in the form of Exhibit A-3 hereto. The
21 Notice shall include the general terms of the settlement set forth in the Stipulation, the proposed
22 Plan of Allocation, the general terms of the Fee and Expense Application and the date of the
23 Settlement Hearing.

24 3.2 Lead Counsel shall request that after notice is given, the Court hold a hearing (the
25 "Settlement Hearing") and approve the settlement of the Litigation as set forth herein. At or
26 after the Settlement Hearing, Lead Counsel also will request that the Court approve the proposed
27 Plan of Allocation and the Fee and Expense Application.

28

1 **4. Releases**

2 4.1 Upon the Effective Date, as defined in ¶1.5 hereof, the Lead Plaintiff and each of
3 the Settlement Class Members shall be deemed to have, and by operation of the Judgment shall
4 have, fully, finally, and forever released, relinquished and discharged all Released Claims against
5 the Released Persons, whether or not such Settlement Class Member executes and delivers a
6 Proof of Claim and Release form.

7 4.2 The Proof of Claim and Release to be executed by Settlement Class Members
8 shall release all Released Claims against the Released Persons and shall be substantially in the
9 form contained in Exhibit A-2 hereto.

10 4.3 Upon the Effective Date, as defined in ¶1.5 hereof, each of the Released Persons
11 shall be deemed to have, and by operation of the Judgment shall have, fully, finally, and forever
12 released, relinquished and discharged each and all of the Settlement Class Members and Lead
13 Counsel from all claims (including unknown claims) arising out of, relating to, or in connection
14 with the institution, prosecution, assertion, settlement or resolution of the Litigation or the
15 Released Claims.

16 **5. Administration and Calculation of Claims, Final Awards and Supervision**
17 **and Distribution of Settlement Fund**

18 5.1 The Claims Administrator shall administer and calculate the claims submitted by
19 Settlement Class Members.

20 5.2 The Settlement Fund shall be applied as follows:

21 (a) to pay Lead Counsel's attorneys' fees and expenses with interest thereon
22 (the "Fee and Expense Award"), if and to the extent allowed by the Court;

23 (b) to pay all the costs and expenses reasonably and actually incurred in
24 connection with providing notice, locating Settlement Class Members, soliciting Settlement
25 Class claims, assisting with the filing of claims, administering and distributing the Settlement
26 Fund to Authorized Claimants, processing Proof of Claim and Release forms and paying escrow
27 fees and costs, if any;

28 (c) to pay the Taxes and Tax Expenses described in ¶2.7 hereof; and

1 (d) to distribute the balance of the Settlement Fund (the "Net Settlement
2 Fund") to Authorized Claimants as allowed by the Stipulation, the Plan of Allocation, or the
3 Court.

4 5.3 Upon the Effective Date and thereafter, and in accordance with the terms of the
5 Stipulation, the Plan of Allocation, or such further approval and further order(s) of the Court as
6 may be necessary or as circumstances may require, the Net Settlement Fund shall be distributed
7 to Authorized Claimants, subject to and in accordance with the following.

8 5.4 Within one hundred twenty (120) days after the mailing of the Notice or such
9 other time as may be set by the Court, each Person claiming to be an Authorized Claimant shall
10 be required to submit to the Claims Administrator a completed Proof of Claim and Release,
11 substantially in the form of Exhibit A-2 hereto, signed under penalty of perjury and supported by
12 such documents as are specified in the Proof of Claim and Release and as are reasonably
13 available to the Authorized Claimant.

14 5.5 Except as otherwise ordered by the Court, all Settlement Class Members who fail
15 to timely submit a Proof of Claim and Release within such period, or such other period as may
16 be ordered by the Court, or otherwise allowed, shall be forever barred from receiving any
17 payments pursuant to the Stipulation and the settlement set forth herein, but will in all other
18 respects be subject to and bound by the provisions of the Stipulation, the releases contained
19 herein, and the Judgment.

20 5.6 The Net Settlement Fund shall be distributed to the Authorized Claimants
21 substantially in accordance with a Plan of Allocation to be described in the Notice and approved
22 by the Court. If there is any balance remaining in the Net Settlement Fund after six (6) months
23 from the date of distribution of the Net Settlement Fund (whether by reason of tax refunds,
24 uncashed checks or otherwise), Lead Counsel shall, if feasible, reallocate such balance among
25 Authorized Claimants in an equitable and economic fashion. Thereafter, any balance which still
26 remains in the Net Settlement Fund shall be contributed to non-sectarian not-for-profit charitable
27 organizations serving the public interest, designated by, and unaffiliated with, Plaintiff's
28 Counsel.

1 5.7 This is not a claims-made settlement and, if all conditions of the Stipulation are
2 satisfied and the settlement becomes Final, no portion of the Settlement Fund will be returned to
3 the Defendants or their insurers. The Defendants and their Related Parties shall have no
4 responsibility for, interest in, or liability whatsoever with respect to the distribution of the Net
5 Settlement Fund, the Plan of Allocation, the determination, administration, or calculation of
6 claims, the payment or withholding of Taxes or Tax Expenses, or any losses incurred in
7 connection therewith.

8 5.8 No Person shall have any claim against Lead Counsel, the Claims Administrator
9 or other entity designated by Lead Counsel based on distributions made substantially in
10 accordance with the Stipulation and the settlement contained herein, the Plan of Allocation, or
11 further order(s) of the Court.

12 5.9 It is understood and agreed by the Settling Parties that any proposed Plan of
13 Allocation of the Net Settlement Fund including, but not limited to, any adjustments to an
14 Authorized Claimant's claim set forth therein, is not a part of the Stipulation and is to be
15 considered by the Court separately from the Court's consideration of the fairness, reasonableness
16 and adequacy of the settlement set forth in the Stipulation, and any order or proceeding relating
17 to the Plan of Allocation shall not operate to terminate or cancel the Stipulation or affect the
18 finality of the Court's Judgment approving the Stipulation and the settlement set forth therein, or
19 any other orders entered pursuant to the Stipulation.

20 **6. Lead Counsel's Attorneys' Fees and Reimbursement of Expenses**

21 6.1 Counsel for Lead Plaintiff may submit an application or applications (the "Fee
22 and Expense Application") for distributions to them, and to Lead Plaintiff's Liaison Counsel,
23 from the Settlement Fund for: (a) an award of attorneys' fees; plus (b) reimbursement of actual
24 expenses, including the fees of any experts or consultants, incurred in connection with
25 prosecuting the Litigation, and (c) reimbursement of reasonable costs and expenses (including
26 lost wages) incurred by the Lead Plaintiff directly relating to representation of the class, plus any
27 interest on such attorneys' fees and other payments at the same rate and for the same periods as
28 earned by the Settlement Fund (until paid), as may be awarded by the Court. Counsel for Lead

1 Plaintiff reserves the right to make additional applications for fees and expenses incurred. The
2 Released Parties shall take no position on Lead Plaintiff's application for attorneys' fees, for
3 reimbursement of expenses, or request for reimbursement of reasonable costs and expenses
4 (including lost wages) incurred in the representation of the Class.

5 6.2 The attorneys' fees and other payments, as awarded by the Court, shall be paid to
6 Counsel for Lead Plaintiff from the Settlement Fund, as ordered, immediately after the Court
7 executes an order awarding such fees and expenses. In the event that the Effective Date does not
8 occur, or the Judgment or the order making the Fee and Expense Award is reversed or modified,
9 or the Stipulation is canceled or terminated for any other reason, and in the event that the Fee and
10 Expense Award has been paid to any extent, then the recipient shall within ten (10) business days
11 from receiving notice from Defendants' counsel or from a court of appropriate jurisdiction,
12 refund to the Settlement Fund the fees and expenses previously paid to them from the Settlement
13 Fund plus interest thereon at the same rate as earned on the cash portion of the Settlement Fund
14 in an amount consistent with such reversal or modification.

15 6.3 The procedure for and the allowance or disallowance by the Court of any
16 applications by Counsel for Lead Plaintiff for attorneys' fees and expenses, including the fees of
17 experts and consultants, to be paid out of the Settlement Fund, or Lead Plaintiff's request for
18 compensation, are not part of the settlement set forth in the Stipulation, and are to be considered
19 by the Court separately from the Court's consideration of the fairness, reasonableness and
20 adequacy of the settlement set forth in the Stipulation, and any order or proceedings relating to
21 the Fee and Expense Application, or any appeal from any order relating thereto or reversal or
22 modification thereof, shall not operate to terminate or cancel the Stipulation, or affect or delay
23 the finality of the Judgment approving the Stipulation and the settlement of the Litigation set
24 forth therein.

25 6.4 Defendants and their Related Parties shall have no responsibility for or liability
26 with respect to any payment of attorneys' fees and expenses to Counsel for Lead Plaintiff or
27 Lead Plaintiff over and above payment from the Settlement Fund or the allocation or distribution
28 of such payment among Counsel for Lead Plaintiff or Lead Plaintiff.

1 **7. Conditions of Settlement, Effect of Disapproval, Cancellation or Termination**

2 7.1 The Effective Date of the Stipulation shall be conditioned on the occurrence of all
3 of the following events:

4 (a) Defendants' insurers have timely made their contributions to the
5 Settlement Fund as required by ¶2.1 hereof;

6 (b) Defendants have not exercised their option to terminate the Stipulation
7 pursuant to ¶7.6 hereof;

8 (c) The Court has entered the Notice Order, as required by ¶3.1 hereof;

9 (d) The Court has entered the Judgment, or a judgment substantially in the
10 form of Exhibit B hereto; and

11 (e) The Judgment has become Final, as defined in ¶1.7 hereof.

12 7.2 Upon the occurrence of all of the events referenced in ¶7.1 hereof, any and all
13 remaining interest or right of Defendants in or to the Settlement Fund, if any, shall be absolutely
14 and forever extinguished. If all of the conditions specified in ¶7.1 hereof are not met, then the
15 Stipulation shall be canceled and terminated subject to ¶7.4 hereof unless Lead Counsel and
16 counsel for Defendants and their insurer mutually agree in writing to proceed with the
17 Stipulation.

18 7.3 Unless otherwise ordered by the Court, in the event the Stipulation shall
19 terminate, or be canceled, or shall not become effective for any reason, within forty-five (45)
20 calendar days after the occurrence of such event and in accordance with the terms of ¶2.8 hereof,
21 the Settlement Fund (including accrued interest), including any amount then remaining in the
22 Class Notice and Administration Fund (including accrued interest), less expenses, including
23 taxes and/or expenses, and any costs which have either been disbursed pursuant to ¶2.6 hereof or
24 are determined to be chargeable to the Class Notice and Administration Fund, shall be refunded
25 by the Escrow Agent to Defendants' insurer, pursuant to written instructions from Genesis or its
26 successor-in-interest. At the request of counsel to Genesis, and subject to Genesis advancing any
27 fees or expenses relating thereto, the Escrow Agent or its designee shall apply for any tax refund
28 owed on the Settlement Fund and pay the proceeds, after deduction of any unreimbursed fees or

1 expenses incurred in connection with such application(s) for refund, pursuant to written direction
2 from Genesis or its successor-in-interest.

3 7.4 In the event that the Stipulation is not approved by the Court or the settlement set
4 forth in the Stipulation is terminated or fails to become effective in accordance with its terms, the
5 Settling Parties shall be restored to their respective positions in the Litigation as of March 20,
6 2006. In such event, the terms and provisions of the Stipulation, with the exception of ¶¶2.7, 2.8,
7 7.3-7.5 hereof, shall have no further force and effect with respect to the Settling Parties and shall
8 not be used in this Litigation or in any other proceeding for any purpose, and any judgment or
9 order entered by the Court in accordance with the terms of the Stipulation shall be treated as
10 vacated, *nunc pro tunc*. No order of the Court or modification or reversal on appeal of any order
11 of the Court concerning the Plan of Allocation or the amount of any attorneys' fees, costs,
12 expenses and interest awarded by the Court to Lead Counsel shall constitute grounds for
13 cancellation or termination of the Stipulation.

14 7.5 If the Effective Date does not occur, or if the Stipulation is terminated pursuant to
15 its terms, neither the Lead Plaintiff nor Lead Counsel shall have any obligation to repay any
16 amounts actually and properly disbursed from the Settlement Fund, including the Class Notice
17 and Administration Fund. In addition, any expenses already incurred and properly chargeable to
18 the Settlement Fund pursuant to ¶2.6 hereof at the time of such termination or cancellation, but
19 which have not been paid, shall be paid by the Escrow Agent in accordance with the terms of the
20 Stipulation prior to the balance being refunded in accordance with ¶¶2.8 and 7.3 hereof.

21 7.6 If prior to the Settlement Hearing, the aggregate number of shares of Genesis
22 common stock purchased by Persons who would otherwise be Members of the Settlement Class,
23 but who request exclusion from the Settlement Class, exceeds the sum specified in a separate
24 "Supplemental Agreement" between the Settling Parties, Defendants shall have, in their sole and
25 absolute discretion, the option to terminate this Stipulation in accordance with the procedures set
26 forth in the Supplemental Agreement. The Supplemental Agreement will not be filed with the
27 Court unless and until a dispute among the Settling Parties concerning its interpretation or
28 application arises.

1 **8. Miscellaneous Provisions**

2 8.1 The Settling Parties (a) acknowledge that it is their intent to consummate this
3 agreement; and (b) agree to cooperate to the extent reasonably necessary to effectuate and
4 implement all terms and conditions of the Stipulation and to exercise their reasonable best efforts
5 to accomplish the foregoing terms and conditions of the Stipulation.

6 8.2 The Settling Parties intend this settlement to be a final and complete resolution of
7 all disputes between them with respect to the Litigation. The settlement compromises claims
8 which are contested and shall not be deemed an admission by any Settling Party as to the merits
9 of any claim or defense. The Final Judgment will contain a statement that during the course of
10 the Litigation, the parties and their respective counsel at all times complied with the
11 requirements of Federal Rule of Civil Procedure 11. While retaining their right to deny liability,
12 the Defendants agree that the amount paid to the Settlement Fund and the other terms of the
13 settlement were negotiated in good faith by the Settling Parties, and reflect a settlement that was
14 reached voluntarily after consultation with competent legal counsel. The Settling Parties reserve
15 their right to rebut, in a manner that such party determines to be appropriate, any contention
16 made in any public forum that the Litigation was brought or defended in bad faith or without a
17 reasonable basis.

18 8.3 Neither the Stipulation nor the settlement contained therein, nor any act
19 performed or document executed pursuant to or in furtherance of the Stipulation or the
20 settlement: (a) is or may be deemed to be or may be used as an admission of, or evidence of, the
21 validity of any Released Claim, or of any wrongdoing or liability of the Defendants or their
22 Related Parties; or (b) is or may be deemed to be or may be used as an admission of, or evidence
23 of, any fault or omission of any of the Defendants or their Related Parties in any civil, criminal
24 or administrative proceeding in any court, administrative agency or other tribunal. Defendants
25 and/or their Related Parties may file the Stipulation and/or the Judgment in any action that may
26 be brought against them in order to support a defense or counterclaim based on principles of *res*
27 *judicata*, collateral estoppel, release, good faith settlement, judgment bar or reduction or any
28 other theory of claim preclusion or issue preclusion or similar defense or counterclaim.

1 8.4 All agreements made and orders entered during the course of the Litigation
2 relating to the confidentiality of information shall survive this Stipulation.

3 8.5 All of the Exhibits to the Stipulation are material and integral parts hereof and are
4 fully incorporated herein by this reference.

5 8.6 The Stipulation may be amended or modified only by a written instrument signed
6 by or on behalf of all Settling Parties or their respective successors-in-interest.

7 8.7 The Stipulation and the Exhibits attached hereto constitute the entire agreement
8 among the parties hereto and no representations, warranties or inducements have been made to
9 any party concerning the Stipulation or its Exhibits other than the representations, warranties and
10 covenants contained and memorialized in such documents. Except as otherwise provided herein,
11 each party shall bear its own costs.

12 8.8 Lead Counsel, on behalf of the Settlement Class, are expressly authorized by the
13 Lead Plaintiff to take all appropriate action required or permitted to be taken by the Settlement
14 Class pursuant to the Stipulation to effectuate its terms and also are expressly authorized to enter
15 into any modifications or amendments to the Stipulation on behalf of the Settlement Class which
16 they deem appropriate.

17 8.9 Each counsel or other Person executing the Stipulation or any of its Exhibits on
18 behalf of any party hereto hereby warrants that such Person has the full authority to do so.

19 8.10 The Stipulation may be executed in one or more counterparts. All executed
20 counterparts and each of them shall be deemed to be one and the same instrument. A complete
21 set of original executed counterparts shall be filed with the Court.

22 8.11 The Stipulation shall be binding upon, and inure to the benefit of, the successors
23 and assigns of the parties hereto.

24 8.12 The Court shall retain jurisdiction with respect to implementation and
25 enforcement of the terms of the Stipulation, and all parties hereto submit to the jurisdiction of the
26 Court for purposes of implementing and enforcing the settlement embodied in the Stipulation.

27 8.13 The Stipulation and the Exhibits hereto shall be considered to have been
28 negotiated, executed and delivered, and to be wholly performed, in the State of California, and

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the rights and obligations of the parties to the Stipulation shall be construed and enforced in accordance with, and governed by, the internal, substantive laws of the State of California without giving effect to that State's choice-of-law principles.

IN WITNESS WHEREOF, the parties hereto have caused the Stipulation to be executed, by their duly authorized attorneys dated as of May 25, 2006.

Dated: May 24, 2006

WILSON SONSINI GOODRICH & ROSATI
Professional Corporation

By: 
Ignacio E. Salceda

Attorneys for Defendants

Dated: May 24, 2006

WOLF POPPER LLP

By: 
Robert C. Finkel

Plaintiff's Lead Counsel

Dated: May 26, 2006

ALEXANDER, HAWES & AUDET, LLP

By: 
William M. Audet

Plaintiff's Liaison Counsel