

EXHIBIT A

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**UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA
WESTERN DIVISION**

In re NETSOL TECHNOLOGIES,
INC. SECURITIES LITIGATION

Case No. 2:14-cv-5787 PA (PJWX)

**[PROPOSED] ORDER
PRELIMINARILY APPROVING
SETTLEMENT AND PROVIDING
FOR NOTICE**

DATE:
TIME: 1:30 p.m.
CTRM: 15 – Spring St. Floor
JUDGE: Hon. Percy Anderson

Complaint Filed: 7/25/2014
Discovery Cut-off: 5/23/2016
Motion Cut-off: 5/30/2016
Trial Date: 8/2/2016

1 WHEREAS (i) Plaintiff Mike Clementi (“Plaintiff”) on his own behalf and on
2 behalf of the Settlement Class, and (ii) NetSol Technologies, Inc. (“NetSol” or the
3 “Company”) and Najeeb Ghauri (collectively, “Defendants”), have entered, by and
4 through their respective counsel, into a settlement of the claims asserted in the
5 Litigation, the terms of which are set forth in a Stipulation of Settlement, dated
6 February 25, 2016 (the “Stipulation”), which is subject to review under Rule 23 of
7 the Federal Rules of Civil Procedure and which, together with the exhibits thereto,
8 sets forth the terms and conditions for the proposed settlement of the claims alleged
9 in the First Amended Consolidated Complaint (the “Complaint”) filed in the
10 Litigation; and the Court having read and considered the Stipulation, the proposed
11 “Notice of Pendency and Proposed Settlement of Class Action” (“Notice”), the
12 proposed “Summary Notice of Pendency and Proposed Class Action Settlement”
13 (“Summary Notice”), the proposed Plan of Allocation of the Net Settlement Fund
14 among the Settlement Class, the proposed form of the Proof of Claim and Release
15 (“Proof of Claim”), the proposed form of Order and Final Judgment, and
16 submissions made relating thereto, and finding that substantial and sufficient
17 grounds exist for entering this Order;

18 NOW, THEREFORE, IT IS HEREBY ORDERED, this ____ day of
19 _____, 2016, that:

20 1. Capitalized terms used herein have the meanings defined in the
21 Stipulation.

22 2. Pursuant to this Court’s Order, this Litigation is certified as a class
23 action for settlement purposes only on behalf of all Persons (including, without
24 limitation, their beneficiaries) who purchased the common stock of NetSol between
25 October 24, 2013 and November 8, 2013, inclusive. Excluded from the Settlement
26 Class are (i) persons who suffered no compensable losses, *e.g.*, those who bought
27 NetSol common stock during the Class Period but sold prior to any alleged
28 corrective disclosure; (ii) Opt-Outs (*i.e.*, those persons who file valid and timely

1 request for exclusion in accordance with this Order); and (iii) Defendants and any
2 entity in which the Defendants have a controlling interest, and the officers, directors,
3 affiliates, legal representatives, immediate family members, heirs, successors,
4 subsidiaries and/or assigns of any such individual or entity in their capacity as such.

5 3. A hearing (the “Final Settlement Hearing”) pursuant to Federal Rule of
6 Civil Procedure 23(e) is hereby scheduled to be held before the Court on
7 _____ 2016 at _____ .m. for the following purposes:

8 (a) to finally determine whether the Litigation satisfies the applicable
9 prerequisites for class action treatment under Federal Rules of Civil Procedure
10 23(a) and (b);

11 (b) to finally determine whether the Settlement is fair, reasonable,
12 and adequate, and should be approved by the Court;

13 (c) to finally determine whether the Final Judgment and Order as
14 provided under the Stipulation should be entered, dismissing the Complaint on
15 the merits and with prejudice, and to determine whether the release by the
16 Class of the Released Parties as set forth in the Stipulation, should be ordered,
17 along with a permanent injunction barring efforts to bring any claims
18 extinguished by the release;

19 (d) to finally determine whether the proposed Plan of Allocation for
20 the distribution of the Net Settlement Fund is fair and reasonable and should
21 be approved by the Court;

22 (e) to consider the application of Plaintiffs’ Counsel for an award of
23 attorneys’ fees and expenses and a case contribution award to Plaintiff;

24 (f) to consider any Class Members’ objections to the Settlement,
25 whether submitted previously in writing or presented orally at the Final
26 Settlement Hearing by Class Members (or by counsel on their behalf); and

27 (g) to rule upon such other matters as the Court may deem
28 appropriate.

1 4. The Court reserves the right to adjourn the Final Settlement Hearing to
2 a later date and to approve the Settlement with or without modification and with or
3 without further notice of any kind. The Court further reserves the right to enter its
4 Final Judgment and Order approving the Settlement and dismissing the Complaint,
5 on the merits and with prejudice, regardless of whether it has approved the Plan of
6 Allocation or awarded attorneys' fees and expenses or a case contribution award.

7 5. The Court reserves the right to approve the Settlement with such
8 modifications as may be agreed upon or consented to by the Settling Parties and
9 without further notice to the Class where to do so would not impair the Settlement
10 Class members' rights in a manner inconsistent with Rule 23 and due process of law.

11 6. The Court approves the form, substance and requirements of (a) the
12 Notice; (b) the Summary Notice; and (c) the Proof of Claim, all of which are
13 exhibits to the Stipulation.

14 7. Plaintiffs' Counsel has the authority to enter into the Stipulation on
15 behalf of the Settlement Class and is authorized to act on behalf of the Settlement
16 Class with respect to all acts or consents required by or that may be given pursuant
17 to the Stipulation or such other acts that are reasonably necessary to consummate the
18 Settlement.

19 8. Strategic Claims Services is approved as the Claims Administrator for
20 the Settlement.

21 9. Lead Counsel, through the Claims Administrator, shall cause the Notice
22 and the Proof of Claim, substantially in the forms annexed hereto, to be mailed, by
23 first class mail, postage prepaid, within twenty-eight (28) calendar days of the entry
24 of this Order, to all Settlement Class members who can be identified with reasonable
25 effort by the Claims Administrator.

26 10. Lead Counsel is authorized to disburse up to \$75,000 (Seventy Five
27 Thousand Dollars) for Administrative Costs (as defined in the Stipulation), to be
28 used for reasonable out-of-pocket costs in connection with providing notice of the

1 Settlement to the Settlement Class and for other reasonable out-of-pocket
2 administrative expenses. After the Effective Date, additional amounts may be
3 disbursed for Administrative Costs, if any.

4 11. NetSol and any and all issuers, securities firms or transfer agents
5 holding transfer records which indicate the legal owners of NetSol common stock
6 currently or during the Class Period are hereby ordered to produce such transfer
7 records in a usable electronic format to Lead Counsel or the Claims Administrator
8 within fourteen (14) calendar days of receipt of a copy of this Order.

9 12. Lead Counsel, through the Claims Administrator, shall also make all
10 reasonable efforts to give notice to nominee owners such as brokerage firms and
11 other persons or entities who purchased NetSol common stock during the Class
12 Period. Such nominee purchasers are directed to forward copies of the Notice and
13 Proof of Claim to their beneficial owners or to provide the Claims Administrator
14 with lists of the names and addresses of the beneficial owners and the Claims
15 Administrator is ordered to send the Notice and Proof of Claim promptly to such
16 beneficial owners. Additional copies of the Notice shall be made available to any
17 record holder requesting same for the purpose of distribution to beneficial owners,
18 and such record holders shall be reimbursed from the Settlement Fund, upon receipt
19 by the Claims Administrator of proper documentation, for the reasonable expense of
20 sending the Notice and Proof of Claim to beneficial owners.

21 13. Lead Counsel shall, at or before the Final Settlement Hearing, serve
22 upon NetSol's Counsel, and file with the Court, proof of mailing of the Notice and
23 Proof of Claim, both to the Settlement Class and to nominees.

24 14. Lead Counsel, through the Claims Administrator, shall cause the
25 Summary Notice to be published electronically once on the *GlobeNewswire* within
26 thirty-five (35) calendar days after the entry of this Order. Lead Counsel shall, at or
27 before the Final Settlement Hearing, serve upon NetSol's Counsel and file with the
28 Court proof of publication of the Summary Notice.

1 15. The forms and methods set forth herein of notifying the Settlement
2 Class of the Settlement and its terms and conditions meet the requirements of due
3 process and Rule 23 of the Federal Rules of Civil Procedure, Section 21D(a)(7) of
4 the Exchange Act, 15 U.S.C. § 78u-4(a)(7), as amended by the Private Securities
5 Litigation Reform Act of 1995; constitute the best notice practicable under the
6 circumstances; and constitute due and sufficient notice to all persons and entities
7 entitled thereto. No Settlement Class member will be relieved from the terms of the
8 Settlement, including the releases provided for therein, based upon the contention or
9 proof that such Settlement Class member failed to receive actual or adequate notice.

10 16. In order to be entitled to participate in recovery from the Net Settlement
11 Fund after the Effective Date, each Settlement Class member shall take the
12 following action and be subject to the following conditions:

13 (a) A properly completed and executed Proof of Claim must be
14 submitted to the Claims Administrator, at the Post Office Box indicated in the
15 Notice, postmarked no later than seventy-five (75) calendar days from the
16 date of this Order. Such deadline may be further extended by Order of the
17 Court. Each Proof of Claim shall be deemed to have been submitted when
18 legibly postmarked (if properly addressed and mailed by first-class mail)
19 provided such Proof of Claim is actually received before the filing of a motion
20 for an Order of the Court approving distribution of the Net Settlement Fund.
21 Any Proof of Claim submitted in any other manner shall be deemed to have
22 been submitted when it was actually received by the Administrator at the
23 address designated in the Notice.

24 (b) The Proof of Claim submitted by each Settlement Class member
25 must satisfy the following conditions: (i) it must be properly filled out, signed
26 and submitted in a timely manner in accordance with the provisions of the
27 preceding subparagraph; (ii) it must be accompanied by adequate supporting
28 documentation for the transactions reported therein, in the form of broker

1 confirmation slips, broker account statements, an authorized statement from
2 the broker containing the transactional information found in a broker
3 confirmation slip, or such other documentation as is deemed adequate by the
4 Claims Administrator or Lead Counsel; (iii) if the person executing the Proof
5 of Claim is acting in a representative capacity, a certification of his current
6 authority to act on behalf of the Settlement Class member must be provided
7 with the Proof of Claim; and (iv) the Proof of Claim must be complete and
8 contain no material deletions or modifications of any of the printed matter
9 contained therein and must be signed under penalty of perjury.

10 (c) Once the Claims Administrator has considered a timely-
11 submitted Proof of Claim, it shall determine whether such claim is valid,
12 deficient or rejected. For each claim determined to be either deficient or
13 rejected, the Claims Administrator shall send a deficiency letter or rejection
14 letter as appropriate, describing the basis on which the claim was so
15 determined. Persons who timely submit a Proof of Claim that is deficient or
16 otherwise rejected shall be afforded a reasonable time (at least seven (7)
17 calendar days) to cure such deficiency if it shall appear that such deficiency
18 may be cured.

19 (d) For the filing of and all determinations concerning their Proof of
20 Claim, each Settlement Class shall submit to the jurisdiction of the Court.

21 17. All Settlement Class members who do not submit valid and timely
22 Proof of Claim will be forever barred from receiving any payments from the Net
23 Settlement Fund, but will in all other respects be subject to and bound by the
24 provisions of the Stipulation and the Final Judgment and Order, if entered.

25 18. Settlement Class members shall be bound by all determinations and
26 judgments in the Litigation, whether favorable or unfavorable, unless such persons
27 request exclusion from the Class in a timely and proper manner, as hereinafter
28 provided. A Settlement Class member wishing to make such request shall mail it, in

1 written form, by first class mail, postage prepaid, or otherwise deliver it, so that it is
2 received no later than thirty (30) calendar days prior to the Final Settlement Hearing
3 or _____, 2016, to the addresses listed in the Notice. Such request
4 for exclusion shall clearly indicate the name and address and phone number and e-
5 mail contact information (if any) of the person seeking exclusion, state that the
6 sender specifically requests to be excluded from the Class, and must be signed by
7 such person. Such persons requesting exclusion are also required to specify all their
8 purchases and sales of NetSol common stock during the Class Period, including the
9 date, number of shares and price of the shares purchased or sold and include account
10 documentation substantiating such purchases and sales. The request for exclusion
11 shall not be effective unless it provides the required information, is legible, and is
12 made within the time stated above, or the exclusion is otherwise accepted by the
13 Court. Lead Counsel may contact any person or entity filing a request for exclusion,
14 or their attorney if one is designated, to discuss the exclusion. Requests for
15 exclusion must be filed no later than thirty (30) calendar days prior to the Final
16 Settlement Hearing.

17 19. Settlement Class members requesting exclusion from the Class shall not
18 be entitled to receive any payment out of the Net Settlement Fund.

19 20. The Court will consider comments and/or objections to the Settlement,
20 the Plan of Allocation, or the application for attorneys' fees and expenses and any
21 case contribution award, only if such comments or objections and any supporting
22 papers are served to be received at least twenty (20) calendar days prior to the Final
23 Settlement Hearing, upon each of the following:

24 **LEAD COUNSEL:**

25 Thomas J. McKenna

26 GAINNEY McKENNA & EGLESTON

27 440 Park Avenue South, 5th Floor

28 New York, New York 10016

1 Tel: (212) 983-1300
2 Fax: (212) 983-0383
3 Email: tjmckenna@gme-law.com
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5 **COUNSEL FOR DEFENDANTS:**

6 Sean T. Prosser
7 PERKINS COIE LLP
8 11988 El Camino Real, Suite 350
9 San Diego, CA 92130
10 Telephone: 858.720.5700
11 Facsimile: 858.720.5799
12 Email: sprosser@perkinscoie.com
13

14 and the objector has (by that same date) filed said objections, papers and briefs,
15 showing due proof of service upon counsel identified above, with the Clerk of the
16 Court, U.S. District Court, Central District of California, 255 East Temple Street,
17 Los Angeles, CA 90012-3332. Attendance at the Final Settlement Hearing is not
18 necessary but persons wishing to be heard orally in opposition to the Settlement, the
19 Plan of Allocation, and/or the application for attorneys' fees and expenses or case
20 contribution award are required to indicate in their written objection (or in a separate
21 writing that is submitted in accordance with the deadline and after instruction
22 pertinent to the submission of a written objection) that they intend to appear at the
23 Final Settlement Hearing and identify any witnesses they may call to testify or
24 exhibits they intend to introduce into evidence at the Final Settlement Hearing.
25 Settlement Class members do not need to appear at the Final Settlement Hearing or
26 take any other action to indicate their approval. Any Settlement Class member who
27 does not object in the manner prescribed above shall be deemed to have waived all
28 such objections and shall forever be foreclosed from making any objection to the

1 fairness, adequacy or reasonableness of the Settlement, the Final Judgment and
2 Order to be entered approving the Settlement, the Plan of Allocation, or the
3 application for an award of attorneys' fees and expenses and a case contribution
4 award.

5 21. The Court reserves the right to adjourn the Final Settlement Hearing or
6 any adjournment thereof without any further notice other than entry of an Order on
7 the Court's docket, and to approve the Settlement without further notice to the
8 Settlement Class.

9 22. All papers in support of the Settlement, the Plan of Allocation and any
10 application for attorneys' fees or expenses or a case contribution award shall be filed
11 and served thirty (30) calendar days before the Final Settlement Hearing.

12 23. Any submissions filed in response to any objections or in further
13 support of the Settlement, the Plan of Allocation and any application for attorneys'
14 fees or expenses or a case contribution award shall be filed no later than seven (7)
15 calendar days prior to the Final Settlement Hearing.

16 24. Neither Defendants nor their related parties shall have any
17 responsibility for the Plan of Allocation or any application for attorney fees or
18 expenses submitted by Plaintiff's counsel, and such matters will be considered
19 separately from the fairness, reasonableness, and adequacy of the Settlement.

20 25. Neither the Stipulation, nor any of its terms or provisions, nor the
21 negotiations or proceedings connected with it, shall be construed as an admission or
22 concession by Defendants of the truth of any allegations in the Complaint, or of any
23 liability, fault, or wrongdoing of any kind.

24 26. Pending final determination of whether the Settlement should be
25 approved, all Settlement Class members, and each of them, and anyone acting or
26 purporting to act for any of them, shall be enjoined from prosecuting, attempting to
27 prosecute, or assisting others in the prosecution of, any Settled Claims. In addition,
28 the Litigation is stayed.

1 27. In the event the Settlement is not consummated pursuant to its terms,
2 the Stipulation, except as otherwise provided therein, including any amendment(s)
3 thereto, and this Order, shall be null and void, of no further force or effect, and
4 without prejudice to any Settling Party, and may not be introduced as evidence or
5 referred to in any action or proceedings by any person or entity, and each party shall
6 be restored to his, her or its respective position as it existed before the execution of
7 the Stipulation, pursuant to the terms of the Stipulation.

8 28. The Court retains exclusive jurisdiction over the action to consider all
9 further matters arising out of, or relating to, the Settlement, including by way of
10 illustration and not limitation, any dispute concerning any Proof of Claim filed by
11 any Settlement Class member and any future requests by one or more of the Parties
12 that the Final Judgment and Order, the Release and/or the permanent injunction set
13 forth in the Stipulation be enforced.

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15 Dated: _____, 2016

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17 _____
18 The Honorable Percy Anderson
19 United States District Judge
20 Central District of California
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