

**UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY**

CHAO SUN, Individually and on Behalf of
All Others Similarly Situated,
Plaintiff,

v.

DAQING HAN, XIAOLI YU, HONG LI,
MING LI, LIAN ZHU, GUANGHUI
CHENG, GUOBIN PAN, GUANGJUN LU,
YUANPIN HE, MAZARS CPA LIMITED,
MAZARS Scrl, WEISERMAZARS LLP, and
TELESTONE TECHNOLOGIES
CORPORATION,
Defendants.

Case No. 2:15-cv-00703-JMV-MF

**NOTICE OF (I) PENDENCY OF CLASS ACTION AND PROPOSED SETTLEMENT;
(II) SETTLEMENT FAIRNESS HEARING; AND (III) MOTION FOR AN AWARD OF
ATTORNEYS' FEES AND REIMBURSEMENT OF LITIGATION EXPENSES**

A Federal Court authorized this Notice. This is not a solicitation from a lawyer.

NOTICE OF PENDENCY OF CLASS ACTION: Please be advised that your rights may be affected by the above-captioned securities class action (the “Action”) pending in the United States District Court for the District of New Jersey (the “Court”), if, during the period between March 31, 2010 and April 16, 2013, inclusive (the “Class Period”), you purchased the common stock of Telestone Technologies Corporation (“Telestone” or the “Company”) and were damaged thereby.¹

NOTICE OF SETTLEMENT: Please also be advised that the Court-appointed Lead Plaintiff, Bin Qu (“Lead Plaintiff”), on behalf of himself and the Settlement Class (as defined in ¶ 19 below), have reached a proposed partial settlement of the Action for \$1,250,000 with Defendant Mazars CPA Limited (“Mazars CPA”) that, if approved, will resolve all claims in the Action against Mazars CPA (the “Settlement”).

PLEASE READ THIS NOTICE CAREFULLY. This Notice explains important rights you may have, including the possible receipt of cash from the Settlement. If you are a member of the Settlement Class, your legal rights will be affected whether or not you act.

If you have any questions about this Notice, the proposed Settlement, or your eligibility to participate in the Settlement, please DO NOT contact Mazars CPA, any other Defendants in

¹ All capitalized terms used in this Notice that are not otherwise defined herein shall have the meanings ascribed to them in the Stipulation and Agreement of Settlement dated February 8, 2017 (the “Stipulation”), which is available at www.TelestoneSettlement.com.

the Action, or their counsel. All questions should be directed to Lead Counsel or the Claims Administrator (see ¶ 71 below).

1. **Description of the Action and the Settlement Class:** This Notice relates to a proposed Settlement of claims in a pending securities class action brought by investors alleging, among other things, that defendants Mazars CPA Limited (“Mazars CPA” or “Settling Defendant”), Daqing Han and Xiaoli Yu (collectively, the “Defendants”)² violated the federal securities laws by making false and misleading statements regarding Telestone. A more detailed description of the Action is set forth in paragraphs 11-18 below. The proposed Settlement, if approved by the Court, will settle claims of the Settlement Class, as defined in paragraph 19 below, as against Mazars CPA only.³

2. **Statement of the Settlement Class’s Recovery:** Subject to Court approval, Lead Plaintiff, on behalf of himself and the Settlement Class, has agreed to settle the Action in exchange for a settlement payment of \$1,250,000 in cash (the “Settlement Amount”) to be deposited into an escrow account. The Net Settlement Fund (*i.e.*, the Settlement Amount plus any and all interest earned thereon (the “Settlement Fund”) less (a) any Taxes, (b) any Notice and Administration Costs, (c) any Litigation Expenses awarded by the Court, and (d) any attorneys’ fees awarded by the Court) will be distributed in accordance with a plan of allocation that is approved by the Court, which will determine how the Net Settlement Fund shall be allocated among members of the Settlement Class. The proposed plan of allocation (the “Plan of Allocation”) is set forth on pages 11-13 below.

3. **Estimate of Average Amount of Recovery Per Share:** Based on Lead Plaintiff’s damages expert’s estimates of the number of shares of Telestone common stock purchased during the Class period that may have been affected by the conduct at issue in the Action and assuming that all Settlement Class Members elect to participate in the Settlement, the estimated average recovery (before the deduction of any Court-approved fees, expenses and costs as described herein) per eligible security is \$0.108. Settlement Class Members should note, however, that the foregoing average recovery per share is only an estimate. Some Settlement Class Members may recover more or less than this estimated amount depending on, among other factors, the number of shares of Telestone common stock they purchased, when and at what prices they purchased/acquired or sold their Telestone common stock, and the total number of valid Claim Forms submitted. Distributions to Settlement Class Members will be made based on the Plan of Allocation set forth herein (*see* pages 11-13 below) or such other plan of allocation as may be ordered by the Court.

4. **Average Amount of Damages Per Share:** The Settling Parties do not agree on the average amount of damages per share that would be recoverable if Lead Plaintiff were to prevail in the Action. Among other things, Mazars CPA does not agree with the assertion that they violated the federal securities laws or that any damages were suffered by any members of the Settlement Class as a result of their conduct.

5. **Attorneys’ Fees and Expenses Sought:** Lead Counsel, which have been prosecuting the Action on a wholly contingent basis since its inception in 2015, have not received any payment of attorneys’ fees for their representation of the Settlement Class and have advanced the funds to pay expenses necessarily incurred to prosecute this Action. Court-appointed Lead Counsel, Glancy

² Defendants Daqing Han and Xiaoli Yu are collectively referred to herein as the “Individual Defendants.”

³ The Settlement does not resolve any claims asserted against the Individual Defendants.

Prongay & Murray LLP and Carella, Byrne, Cecchi, Olstein, Brody & Agnello, P.C., will apply to the Court for an award of attorneys’ fees in an amount not to exceed 33 1/3% of the Settlement Fund. In addition, Lead Counsel will apply for reimbursement of Litigation Expenses paid or incurred in connection with the institution, prosecution and resolution of the claims against the Defendants, in an amount not to exceed \$65,000, which may include an application for reimbursement of the reasonable costs and expenses incurred by Lead Plaintiff directly related to his representation of the Settlement Class. Any fees and expenses awarded by the Court will be paid from the Settlement Fund. Settlement Class Members are not personally liable for any such fees or expenses. Estimates of the average cost per affected share of Telestone common stock, if the Court approves Lead Counsel’s fee and expense application, is \$0.042 per eligible security.

6. **Identification of Attorneys’ Representatives:** Lead Plaintiff and the Settlement Class are represented by Casey E. Sadler, Esq. of Glancy Prongay & Murray LLP, 1925 Century Park East, Suite 2100, Los Angeles, California 90067, 1-888-773-9224, www.glancylaw.com or settlements@glancylaw.com; and Donald A. Ecklund, Esq., of Carella, Byrne, Cecchi, Olstein, Brody & Agnello, P.C., 5 Becker Farm Road, Roseland, New Jersey 07068, 1-973-994-1700, decklund@carellabyrne.com.

7. **Reasons for the Settlement:** Lead Plaintiff’s principal reason for entering into the Settlement is the significant immediate cash benefit for the Settlement Class without the risk or the delays inherent in further litigation. Moreover, the cash benefit provided under the Settlement must be considered against the significant risk that a smaller recovery – or indeed no recovery at all – might be achieved after contested motions, a trial of the Action and the likely appeals that would follow a trial. This process could be expected to last several years. Mazars CPA, which denies all allegations of wrongdoing or liability whatsoever, is entering into the Settlement solely to eliminate the uncertainty, burden and expense of further protracted litigation.

YOUR LEGAL RIGHTS AND OPTIONS IN THE SETTLEMENT:	
SUBMIT A CLAIM FORM POSTMARKED NO LATER THAN FEBRUARY 21, 2018.	This is the only way to be eligible to receive a payment from the Settlement Fund. If you are a Settlement Class Member and you remain in the Settlement Class, you will be bound by the Settlement as approved by the Court and you will give up any Released Plaintiff’s Claims (defined in ¶ 25 below) that you have against Mazars CPA and the other Mazars CPA Releasees (defined in ¶ 26 below), so it is in your interest to submit a Claim Form.
EXCLUDE YOURSELF FROM THE SETTLEMENT CLASS BY SUBMITTING A WRITTEN REQUEST FOR EXCLUSION SO THAT IT IS RECEIVED NO LATER THAN FEBRUARY 13, 2018.	If you exclude yourself from the Settlement Class, you will not be eligible to receive any payment from the Settlement Fund. This is the only option that allows you ever to be part of any other lawsuit against Mazars CPA or the other Mazars CPA Releasees concerning the Released Plaintiff’s Claims.

<p>OBJECT TO THE SETTLEMENT BY SUBMITTING A WRITTEN OBJECTION SO THAT IT IS RECEIVED NO LATER THAN FEBRUARY 13, 2018.</p>	<p>If you do not like the proposed Settlement, the proposed Plan of Allocation, or the request for attorneys’ fees and reimbursement of Litigation Expenses, you may write to the Court and explain why you do not like them. You cannot object to the Settlement, the Plan of Allocation or the fee and expense request unless you are a Settlement Class Member and do not exclude yourself from the Settlement Class.</p>
<p>GO TO A HEARING ON MARCH 6, 2018 AT 10:30AM., AND FILE A NOTICE OF INTENTION TO APPEAR SO THAT IT IS RECEIVED NO LATER THAN FEBRUARY 13, 2018.</p>	<p>Filing a written objection and notice of intention to appear by February 13, 2018 allows you to speak in Court, at the discretion of the Court, about the fairness of the proposed Settlement, the Plan of Allocation, and/or the request for attorneys’ fees and reimbursement of Litigation Expenses. If you submit a written objection, you may (but you do not have to) attend the hearing and, at the discretion of the Court, speak to the Court about your objection.</p>
<p>DO NOTHING.</p>	<p>If you are a member of the Settlement Class and you do not submit a valid Claim Form, you will not be eligible to receive any payment from the Settlement Fund. You will, however, remain a member of the Settlement Class, which means that you give up your right to sue about the claims that are resolved by the Settlement and you will be bound by any judgments or orders entered by the Court in the Action.</p>

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WHY DID I GET THIS NOTICE?

8. The Court directed that this Notice be made available to you because you or someone in your family or an investment account for which you serve as a custodian may have purchased or otherwise acquired Telestone common stock during the Class period. The Court has directed us to make this Notice available to you because, as a potential Settlement Class Member, you have a right to know about your options before the Court rules on the proposed Settlement. Additionally, you have the right to understand how this class action lawsuit may generally affect your legal rights. If the Court approves the Settlement, and the Plan of Allocation (or some other plan of allocation), the claims administrator selected by Lead Plaintiff and approved by the Court will make payments pursuant to the Settlement after any objections and appeals are resolved.

9. The purpose of this Notice is to inform you of the existence of this case, that it is a class action, how you might be affected, and how to exclude yourself from the Settlement Class if you wish to do so. It is also being sent to inform you of the terms of the proposed Settlement, and of a hearing to be held by the Court to consider the fairness, reasonableness, and adequacy of the Settlement, the proposed Plan of Allocation and the motion by Lead Counsel for an award of attorneys' fees and reimbursement of Litigation Expenses (the "Settlement Hearing"). *See* paragraph 62 below for details about the Settlement Hearing, including the date and location of the hearing.

10. The issuance of this Notice is not an expression of any opinion by the Court concerning the merits of any claim in the Action, and the Court still has to decide whether to approve the Settlement. If the Court approves the Settlement and a plan of allocation, then payments to Authorized Claimants will be made after any appeals are resolved and after the completion of all claims processing. Please be patient, as this process can take some time to complete.

WHAT IS THIS CASE ABOUT?

11. On February 2, 2015, this case was filed as a class action in the United States District Court for the District of New Jersey (the "Court") alleging violations of federal securities laws. The Court has appointed the law firm of Glancy, Prongay & Murray LLP and Carella, Byrne, Cecchi, Olstein, Brody & Agnello, P.C. as Lead Counsel. Bin Qu is the Court-appointed Lead Plaintiff.

12. On August 27, 2015, Lead Plaintiff filed the Amended Class Action Complaint for Violation of the Federal Securities Laws and Demand for Jury Trial (the "Complaint"), against Daqing Han, Xiaoli Yu, Hong Li, Ming Li, Lian Zhu, Guanghui Cheng, Guobin Pan, Guangjun Lu, Yuanpin He, Mazars CPA Limited, Mazars Scrl, WeiserMazars LLP, and Telestone.⁴ The Complaint alleges violations of Sections 10(b) and 20(a) of the Securities Exchange Act of 1934 and Rule 10b-5 promulgated thereunder. Among other things, the Complaint alleges that Defendants materially overstated Telestone's financial results by improperly recognizing revenue and that these results were contained in Telestone's 2009, 2010, and 2011 Form 10-K filings with the Securities and Exchange Commission.

⁴ On January 19, 2016, in response to a letter from Lead Counsel, the Court dismissed without prejudice Telestone, certain of Telestone's officers and directors, Mazars Scrl and WeiserMazars LLP. As a result, the only remaining defendants are Daqing Han, Xiaoli Yu and Mazars CPA.

13. Mazars CPA served as Telestone's outside auditor during this time period. The claims against Mazars CPA relate to the allegedly false and misleading audit opinion letters filed with the 2009, 2010 and 2011 Form 10-Ks (the "Auditor Reports"). Specifically, the Complaint alleges that the Auditor Reports were false and misleading because: (1) Mazars CPA did not conduct its audits in accordance with Public Company Accounting Oversight Board ("PCAOB") standards; (2) Telestone's consolidated financial statements did not present fairly, in all material respects, either the financial position of Telestone and subsidiaries as of December 31, 2009, December 31, 2010, or December 31, 2011 or the results of their operations and their cash flows for each of the three years in the periods ended December 31, 2009, December 31, 2010, and December 31, 2011; (3) Telestone's financial statements were not presented in accordance with Generally Accepted Accounting Principles, rendering the Auditor Reports not in compliance with PCAOB standards; and (4) the Auditor Reports were also false and misleading because Telestone's internal controls were not effective but were instead plagued by significant material weaknesses. The Complaint further alleges that the price of Telestone's publicly-traded securities was artificially inflated during the Class Period as a result of Defendants' allegedly false and misleading statements, and that when the truth was revealed the price of Telestone stock fell, causing damage to purchasers of the Telestone stock during the Class Period.

14. On October 2, 2015, Mazars CPA filed a Motion to Dismiss the Complaint, in which it argued that the Complaint failed to allege particularized facts sufficient to demonstrate that Mazars CPA made a false statement or acted with scienter. Additionally, Mazars CPA asserted that the claims at issue were barred by the two-year statute of limitations for securities claims. On November 17, 2015, Lead Plaintiff filed his opposition to the Motion to Dismiss, and on December 24, 2015, Mazars CPA filed a reply brief in support of its Motion to Dismiss. On February 21, 2015, the Court issued an opinion and order denying Mazars CPA's Motion to Dismiss.

15. On January 21, 2016, Mazars CPA filed its Answer to the Complaint. Thereafter, counsel for Lead Plaintiff and Mazars CPA conducted a Rule 26(f) conference and exchanged initial disclosures. Additionally, the Settling Parties negotiated a joint discovery plan, a protective order, and an ESI protocol governing the production of electronic documents. During these discussions, Lead Plaintiff and Mazars CPA agreed to engage in private mediation to discuss the possibility of settlement.

16. On June 10, 2016, Lead Plaintiff and Mazars CPA exchanged and submitted to the mediator, Jed D. Melnick, J.D. (the "Mediator"), detailed mediation statements which addressed the issues of both liability and damages. On June 22, 2016, the Settling Parties engaged in a full-day mediation in New York, New York. The session ended without any agreement being reached.

17. Over the course of the next several weeks, the Mediator conducted further discussions with the Lead Plaintiff and Mazars CPA, which culminated in the reaching of an agreement in principle to settle the Action. Thereafter, the Settling Parties agreed to the material terms of a settlement of this Action and proceeded to draft this Stipulation.

18. On September 25, 2017, the Court preliminarily approved the Settlement, authorized this Notice to be disseminated to potential Settlement Class Members, and scheduled the Settlement Hearing to consider whether to grant final approval to the Settlement.

**HOW DO I KNOW IF I AM AFFECTED BY THE SETTLEMENT?
WHO IS INCLUDED IN THE SETTLEMENT CLASS?**

19. If you are a member of the Settlement Class, you are subject to the Settlement, unless you timely request to be excluded. The Settlement Class consists of:

All persons and/or entities who purchased Telestone common stock between March 31, 2010 and April 16, 2013, inclusive, and were damaged thereby.

Excluded from the Settlement Class are: (i) Defendants and Telestone; (ii) members of the Immediate Families of the Non-Settling Defendants; (iii) the subsidiaries and affiliates of Defendants and Telestone; (iv) any person or entity who or which was, at any time during the Class Period, a partner, Officer, director, or controlling person of Telestone, or any of its subsidiaries or affiliates, or of any Defendant, as well as members to their Immediate Families; (v) any entity in which any Defendant or Telestone had, at any time during the Class Period, a controlling interest; (vi) Defendants' liability insurance carriers, and any affiliates or subsidiaries thereof; and (vii) the legal representatives, heirs, successors and assigns of any such excluded person or entity. Also excluded from the Settlement Class are: (i) any persons or entities who or which submits a request for exclusion that is accepted by the Court; and (ii) Hong Li, Ming Li, Lian Zhu, Guanghui Cheng, Guobin Pan, Yuanpin He, Guangjun Lu, Mazars Scrl and Weizermazars LLP. *See* "What If I Do Not Want To Be A Member Of The Settlement Class? How Do I Exclude Myself," on page 17 below.

PLEASE NOTE: RECEIPT OF THIS NOTICE DOES NOT MEAN THAT YOU ARE A SETTLEMENT CLASS MEMBER OR THAT YOU WILL BE ENTITLED TO RECEIVE PROCEEDS FROM THE SETTLEMENT. IF YOU ARE A SETTLEMENT CLASS MEMBER AND YOU WISH TO BE ELIGIBLE TO PARTICIPATE IN THE DISTRIBUTION OF PROCEEDS FROM THE SETTLEMENT, YOU ARE REQUIRED TO SUBMIT THE CLAIM FORM THAT IS BEING DISTRIBUTED WITH THIS NOTICE AND THE REQUIRED SUPPORTING DOCUMENTATION AS SET FORTH THEREIN POSTMARKED NO LATER THAN February 21, 2018.

WHY IS THERE A SETTLEMENT?

20. Lead Plaintiff and Lead Counsel believe that the claims asserted against Mazars CPA have merit. They recognize, however, the expense and length of continued proceedings necessary to pursue Lead Plaintiff's claims against Mazars CPA through trial and appeals, as well as the very substantial risks they would face in establishing liability and damages. Such risks include the challenges associated with proving that Mazars CPA's Auditor Reports were materially false and misleading, and demonstrating that Mazars CPA had actual knowledge of the alleged fraud or acted with sufficient recklessness to establish scienter. Moreover, even if the hurdles to establishing liability were overcome, Mazars CPA had significant arguments pertaining to loss causation. Mazars CPA maintained that the overwhelming majority of the stock drop during the alleged Class Period – more than 85% – occurred prior to the alleged corrective disclosures and, therefore, there was no causal link between the alleged misconduct and the losses suffered by Lead Plaintiff and the Settlement Class. In short, there were substantial risks attendant to the continued prosecution of the Action.

21. In light of these risks, the amount of the Settlement and the immediacy of recovery to the Settlement Class, Lead Plaintiff and Lead Counsel believe that the proposed Settlement is fair, reasonable and adequate, and in the best interests of the Settlement Class. Lead Plaintiff and Lead Counsel believe that the Settlement provides a significant benefit to the Settlement Class, namely \$1,250,000 in cash (less the various deductions described in this Notice), as compared to the risk that the claims in the Action would produce a smaller, or no recovery after summary judgment, trial and appeals, possibly years in the future.

22. Mazars CPA has denied the claims asserted against it in the Action and deny having engaged in any wrongdoing or violation of law of any kind whatsoever. Mazars CPA has agreed to the Settlement solely to eliminate the burden and expense of continued litigation. Accordingly, the Settlement may not be construed as an admission of any wrongdoing by Mazars CPA.

WHAT MIGHT HAPPEN IF THERE WERE NO SETTLEMENT?

23. If there were no Settlement and Lead Plaintiff failed to establish any essential legal or factual element of his claims against Mazars CPA, neither Lead Plaintiff nor the other members of the Settlement Class would recover anything from Mazars CPA. Also, if Mazars CPA were successful in proving any of its defenses, either at summary judgment, at trial or on appeal, the Settlement Class could recover substantially less than the amount provided in the Settlement, or nothing at all.

HOW ARE SETTLEMENT CLASS MEMBERS AFFECTED BY THE ACTION AND THE SETTLEMENT?

24. If you are a Settlement Class Member and you do not exclude yourself from the Settlement Class, you will be bound by any orders issued by the Court. If the Settlement is approved, the Court will enter a judgment (the “Judgment”). The Judgment will dismiss with prejudice the claims against Mazars CPA and will provide that, upon the Effective Date of the Settlement, Lead Plaintiff and each of the other Settlement Class Members, on behalf of themselves, and their respective heirs, executors, administrators, predecessors, successors, and assigns in their capacities as such, will have fully, finally and forever compromised, settled, released, resolved, relinquished, waived and discharged each and every Released Plaintiff’s Claim (as defined in ¶ 25 below) against the Mazars CPA and the other Mazars CPA Releasees (as defined in ¶ 26 below), and shall forever be barred and enjoined from prosecuting any or all of the Released Plaintiff’s Claims against any of the Mazars CPA Releasees.

25. “Released Plaintiff’s Claims” means all claims and causes of action of every nature and description, whether known claims or Unknown Claims, whether arising under federal, state, common or foreign law, that Lead Plaintiff or any other member of the Settlement Class: (i) asserted in the Complaint; or (ii) could have asserted in any forum that arise out of or are based upon the allegations, transactions, facts, matters or occurrences, representations or omissions involved, set forth, or referred to in the Complaint and that relate to the purchase of Telestone Securities during the Class Period. Released Plaintiff’s Claims do not include: (i) any claims relating to the enforcement of the Settlement; (ii) any claims asserted in this Action as of the date of this agreement against Daqing Han and Xiaoli Yu; (iii) any claims that have been brought or could be brought against Telestone, Hong Li, Ming Li, Lian Zhu, Guanghui Cheng, Guobin Pan,

Yuanpin He, Guangjun Lu, Mazars Scrl and/or Weizermazars LLP; and (iv) any claims of any person or entity who or which submits a request for exclusion that is accepted by the Court.

26. “Mazars CPA Releasees” means Mazars CPA and its current and former officers, directors, partners, agents, parents, affiliates, subsidiaries, successors, predecessors, assigns, assignees, employees, and attorneys, in their capacities as such. For the avoidance of doubt, Mazars CPA Releasees do not include Mazars Scrl or Weizermazars LLP, no matter their relationship to Mazars CPA.

27. “Unknown Claims” means any Released Plaintiff’s Claims which the Lead Plaintiff or any other Settlement Class Member does not know or suspect to exist in his, her or its favor at the time of the release of such claims, and any Released Mazars CPA Claims which Mazars CPA does not know or suspect to exist in his, her, or its favor at the time of the release of such claims, which, if known by him, her or it, might have affected his, her or its decision(s) with respect to this Settlement. With respect to any and all Released Claims, the Settling Parties stipulate and agree that, upon the Effective Date of the Settlement, Lead Plaintiff and Mazars CPA shall expressly waive, and each of the other Settlement Class Members and each of the Mazars CPA Releasees shall be deemed to have waived, and by operation of the Judgment or the Alternate Judgment, if applicable, shall have expressly waived, any and all provisions, rights, and benefits conferred by any law of any state or territory of the United States, or principle of common law or foreign law, which is similar, comparable, or equivalent to California Civil Code §1542, which provides:

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

Lead Plaintiff and Mazars CPA acknowledge, and each of the other Settlement Class Members and each of the Mazars CPA Releasees shall be deemed by operation of law to have acknowledged, that the foregoing waiver was separately bargained for and a key element of the Settlement.

28. The Judgment will also provide that, upon the Effective Date of the Settlement, Mazars CPA, on behalf of itself, and its predecessors, successors, and assigns in their capacities as such, will have fully, finally and forever compromised, settled, released, resolved, relinquished, waived and discharged each and every Released Mazars CPA Claim (as defined in ¶ 29 below) against Lead Plaintiff and the other Plaintiff’s Releasees (as defined in ¶ 30 below), and shall forever be barred and enjoined from prosecuting any or all of the Released Mazars CPA Claims against any of the Plaintiff’s Releasees.

29. “Released Mazars CPA Claim” means all claims and causes of action of every nature and description, whether known claims or Unknown Claims, whether arising under federal, state, common or foreign law, that arise out of or relate in any way to the institution, prosecution, or settlement of the claims asserted in the Action against the Settling Defendant. Released Mazars CPA Claims do not include any claims relating to the enforcement of the Settlement or any claims against any person or entity who or which submits a request for exclusion from the Settlement Class that is accepted by the Court.

30. “Plaintiff’s Releasees” means Lead Plaintiff, all other plaintiffs in the Action, their respective attorneys, and all other Settlement Class Members, and their respective current and

former officers, directors, agents, parents, affiliates, subsidiaries, successors, predecessors, assigns, assignees, employees, and attorneys, in their capacities as such.

HOW DO I PARTICIPATE IN THE SETTLEMENT? WHAT DO I NEED TO DO?

31. To be eligible for a payment from the proceeds of the Settlement, you must be a member of the Settlement Class and you must timely complete and submit the Claim Form with adequate supporting documentation **postmarked no later than February 21, 2018**. A Claim Form is available from the website maintained by the Claims Administrator for the Settlement, www.TelestoneSettlement.com, or you may request that a Claim Form be mailed to you by calling the Claims Administrator toll free at 1-844-225-4532. Please retain all records of your ownership of and transactions in Telestone common stock, as they may be needed to document your Claim. If you request exclusion from the Settlement Class or do not submit a timely and valid Claim Form, you will not be eligible to share in the Net Settlement Fund.

HOW MUCH WILL MY PAYMENT BE?

32. At this time, it is not possible to make any determination as to how much any individual Settlement Class Member may receive from the Settlement.

33. Pursuant to the Settlement, Mazars CPA has agreed to pay or caused to be paid \$1.25 million dollars (\$1,250,000.00) in cash. The Settlement Amount will be deposited into an escrow account. The Settlement Amount plus any interest earned thereon is referred to as the “Settlement Fund.” If the Settlement is approved by the Court and the Effective Date occurs, the “Net Settlement Fund” (that is, the Settlement Fund less (a) all federal, state and/or local taxes on any income earned by the Settlement Fund and the reasonable costs incurred in connection with determining the amount of and paying taxes owed by the Settlement Fund (including reasonable expenses of tax attorneys and accountants); (b) the costs and expenses incurred in connection with providing notice to Settlement Class Members and administering the Settlement on behalf of Settlement Class Members; and (c) any attorneys’ fees and Litigation Expenses awarded by the Court) will be distributed to Settlement Class Members who submit valid Claim Forms, in accordance with the proposed Plan of Allocation or such other plan of allocation as the Court may approve.

34. The Net Settlement Fund will not be distributed unless and until the Court has approved the Settlement and a plan of allocation, and the time for any petition for rehearing, appeal or review, whether by certiorari or otherwise, has expired.

35. Neither Mazars CPA nor any other person or entity that paid any portion of the Settlement Amount on their behalf are entitled to get back any portion of the Settlement Fund once the Court’s order or judgment approving the Settlement becomes Final. Mazars CPA shall not have any liability, obligation or responsibility for the administration of the Settlement, the disbursement of the Net Settlement Fund or the plan of allocation.

36. Approval of the Settlement is independent from approval of a plan of allocation. Any determination with respect to a plan of allocation will not affect the Settlement, if approved.

37. Unless the Court otherwise orders, any Settlement Class Member who fails to submit a Claim Form postmarked on or before February 21, 2018 shall be fully and forever barred from

receiving payments pursuant to the Settlement but will in all other respects remain a Settlement Class Member and be subject to the provisions of the Stipulation, including the terms of any Judgment entered and the releases given. This means that each Settlement Class Member releases the Released Plaintiff's Claims (as defined in ¶ 25 above) against the Mazars CPA Releasees (as defined in ¶ 26 above) and will be enjoined and prohibited from filing, prosecuting, or pursuing any of the Released Plaintiff's Claims against any of the Mazars CPA Releasees whether or not such Settlement Class Member submits a Claim Form.

38. Participants in and beneficiaries of a plan covered by ERISA ("ERISA Plan") should NOT include any information relating to their transactions in Telestone common stock held through the ERISA Plan in any Claim Form that they may submit in this Action. They should include ONLY those shares that they purchased or acquired outside of the ERISA Plan. Claims based on any ERISA Plan's purchases or acquisitions of Telestone common stock during the Class period may be made by the plan's trustees. To the extent any of the Defendants or any of the other persons or entities excluded from the Settlement Class are participants in the ERISA Plan, such persons or entities shall not receive, either directly or indirectly, any portion of the recovery that may be obtained from the Settlement by the ERISA Plan.

39. The Court has reserved jurisdiction to allow, disallow, or adjust on equitable grounds the Claim of any Settlement Class Member.

40. Each Claimant shall be deemed to have submitted to the jurisdiction of the Court with respect to his, her or its Claim Form.

41. Only Settlement Class Members, *i.e.*, persons and entities who purchased or otherwise acquired Telestone common stock during the Class period and were damaged as a result of such purchases or acquisitions will be eligible to share in the distribution of the Net Settlement Fund. Persons and entities that are excluded from the Settlement Class by definition or that exclude themselves from the Settlement Class pursuant to request will not be eligible to receive a distribution from the Net Settlement Fund and should not submit Claim Forms.

PROPOSED PLAN OF ALLOCATION

42. The objective of the Plan of Allocation is to equitably distribute the Settlement proceeds to those Settlement Class Members who suffered economic losses as a proximate result of the alleged wrongdoing. The calculations made pursuant to the Plan of Allocation are not intended to be estimates of, nor indicative of, the amounts that Settlement Class Members might have been able to recover after a trial. Nor are the calculations pursuant to the Plan of Allocation intended to be estimates of the amounts that will be paid to Authorized Claimants pursuant to the Settlement. The computations under the Plan of Allocation are only a method to weigh the claims of Authorized Claimants against one another for the purposes of making *pro rata* allocations of the Net Settlement Fund.

43. The Plan of Allocation generally measures the amount of loss that a Settlement Class Member can claim for purposes of making *pro rata* allocations of the cash in the Net Settlement Fund to Authorized Claimants. The Plan of Allocation is not a formal damage analysis. Recognized Loss Amounts are based primarily on the price declines observed over the period which Lead Plaintiff allege corrective information was entering the market place. In this case, Lead Plaintiff alleges that Defendants made false statements and omitted material facts between

March 31, 2010 and April 16, 2013, inclusive, which had the effect of artificially inflating the prices of Telestone common stock.

44. In order to have recoverable damages, disclosure of the alleged misrepresentations and omissions must be the cause of the decline in the price of Telestone common stock. Alleged corrective disclosures that removed the artificial inflation from the prices of Telestone common stock occurred on May 15, 2012, August 14, 2012, November 19, 2012, and April 16, 2013.

45. To the extent a Claimant did not purchase Telestone common stock during the Class period and hold it over one of the corrective disclosure dates set forth in the preceding paragraph, his, her or its Recognized Loss Amount for those transactions will be zero.

CALCULATION OF RECOGNIZED LOSS AMOUNTS

46. Based on the formula set forth below, a “Recognized Loss Amount” shall be calculated for each purchase of Telestone common stock during the Class period that is listed in the Proof of Claim Form and for which adequate documentation is provided. In the calculations below, if a Recognized Loss Amount calculates to a negative number, that Recognized Loss Amount shall be zero.

For shares of Telestone common stock purchased between March 31, 2010 and April 16, 2013:

- A. For shares held at the end of trading on August 29, 2013, the Recognized Loss shall be that number of shares multiplied by the lesser of:
- (1) the applicable purchase date artificial inflation per share figure, as found in Table A; or
 - (2) the difference between the purchase price per share and \$0.60.⁵
- B. For shares sold between March 31, 2010 and April 16, 2013, the Recognized Loss shall be that number of shares multiplied by the lesser of:
- (1) the applicable purchase date artificial inflation per share figure less the applicable sales date artificial inflation per share figure, as found in Table A; or
 - (2) the difference between the purchase price per share and the sales price per share.

⁵ Pursuant to Section 21(D)(e)(1) of the Private Securities Litigation Reform Act of 1995, “in any private action arising under this title in which the plaintiff seeks to establish damages by reference to the market price of a security, the award of damages to the plaintiff shall not exceed the difference between the purchase or sale price paid or received, as appropriate, by the plaintiff for the subject security and the mean trading price of that security during the 90-day period beginning on the date on which the information correcting the misstatement or omission that is the basis for the action is disseminated.” The mean (average) closing price of Telestone common stock during the 90-day period beginning on June 3, 2013 (the date when Telestone common stock resumed trading over the counter after the end of the Class Period) and ending on August 29, 2013 was \$0.60 per share.

- C. For shares sold between June 3, 2013 and August 29, 2013, the Recognized Loss shall be the lesser of:
- (1) the applicable purchase date artificial inflation per share figure, as found in Table A; or
 - (2) the difference between the purchase price per share and the sales price per share; or
 - (3) the difference between the purchase price per share and the average closing price between June 3, 2013 and the date of sale, as found in Table B⁶.

⁶ Pursuant to Section 21(D)(e)(2) of the Private Securities Litigation Reform Act of 1995, “in any private action arising under this title in which the plaintiff seeks to establish damages by reference to the market price of a security, if the plaintiff sells or repurchases the subject security prior to the expiration of the 90-day period described in paragraph (1), the plaintiff’s damages shall not exceed the difference between the purchase or sale price paid or received, as appropriate, by the plaintiff for the security and the mean trading price of the security during the period beginning immediately after dissemination of information correcting the misstatement or omission and ending on the date on which the plaintiff sells or repurchases the security.”

Table A

<u>Purchase or Sale Date Range</u>	<u>Artificial Inflation Per Share</u>
03/31/2010 - 05/14/2012	\$ 1.58
05/15/2012 - 08/13/2014	\$ 1.12
08/14/2012 - 11/16/2012	\$ 1.00
11/19/2012 - 04/15/2013	\$ 0.74
04/16/2013	\$ 0.56

Table B

<u>Date of Sale</u>	<u>Average Closing Price Between 06/03/2013 and Date of Sale</u>	<u>Date of Sale</u>	<u>Average Closing Price Between 06/03/2013 and Date of Sale</u>
6/3/2013	\$0.30	7/17/2013	\$0.48
6/4/2013	\$0.28	7/18/2013	\$0.49
6/5/2013	\$0.28	7/19/2013	\$0.49
6/6/2013	\$0.29	7/22/2013	\$0.50
6/7/2013	\$0.29	7/23/2013	\$0.51
6/10/2013	\$0.29	7/24/2013	\$0.51
6/11/2013	\$0.29	7/25/2013	\$0.52
6/12/2013	\$0.30	7/26/2013	\$0.52
6/13/2013	\$0.31	7/29/2013	\$0.53
6/14/2013	\$0.31	7/30/2013	\$0.53
6/17/2013	\$0.31	7/31/2013	\$0.54
6/18/2013	\$0.31	8/1/2013	\$0.54
6/19/2013	\$0.32	8/5/2013	\$0.55
6/20/2013	\$0.32	8/6/2013	\$0.55
6/21/2013	\$0.33	8/7/2013	\$0.55
6/24/2013	\$0.34	8/8/2013	\$0.55
6/25/2013	\$0.35	8/9/2013	\$0.56
6/26/2013	\$0.36	8/12/2013	\$0.56
6/27/2013	\$0.36	8/13/2013	\$0.57
6/28/2013	\$0.37	8/14/2013	\$0.57
7/1/2013	\$0.37	8/15/2013	\$0.57
7/2/2013	\$0.38	8/16/2013	\$0.58
7/3/2013	\$0.39	8/19/2013	\$0.58
7/5/2013	\$0.41	8/20/2013	\$0.58
7/8/2013	\$0.42	8/21/2013	\$0.59
7/9/2013	\$0.43	8/22/2013	\$0.59
7/10/2013	\$0.44	8/23/2013	\$0.59
7/11/2013	\$0.45	8/26/2013	\$0.60

7/12/2013	\$0.46	8/27/2013	\$0.60
7/15/2013	\$0.46	8/28/2013	\$0.60
7/16/2013	\$0.47	8/29/2013	\$0.60

ADDITIONAL PROVISIONS

47. If a Settlement Class Member has more than one purchase or sale of Telestone common stock, all purchases and sales shall be matched on a First In, First Out (“FIFO”) basis. Class period sales will be matched first against any holdings at the beginning of the Class period, and then against purchases in chronological order, beginning with the earliest purchase made during the Class period.

48. A Claimant’s “Recognized Claim” under the Plan of Allocation shall be the sum of his, her or its Recognized Loss Amounts for Telestone common stock.

49. The Net Settlement Fund will be distributed to Authorized Claimants on a *pro rata* basis based on the relative size of their Recognized Claims. Specifically, a “Distribution Amount” will be calculated for each Authorized Claimant, which shall be the Authorized Claimant’s Recognized Claim divided by the total Recognized Claims of all Authorized Claimants, multiplied by the total amount in the Net Settlement Fund. If any Authorized Claimant’s Distribution Amount calculates to less than \$10.00, it will not be included in the calculation and no distribution will be made to such Authorized Claimant.

50. Purchases and sales of Telestone common stock shall be deemed to have occurred on the “contract” or “trade” date as opposed to the “settlement” or “payment” date. The receipt or grant by gift, inheritance or operation of law of Telestone common stock during the Class period shall not be deemed a purchase or sale of Telestone common stock for the calculation of an Authorized Claimant’s Recognized Loss Amount, nor shall the receipt or grant be deemed an assignment of any claim relating to the purchase of Telestone common stock unless (i) the donor or decedent purchased or otherwise acquired such Telestone common stock during the Class period; (ii) no Claim Form was submitted by or on behalf of the donor, on behalf of the decedent, or by anyone else with respect to such Telestone common stock; and (iii) it is specifically so provided in the instrument of gift or assignment.

51. To the extent a Claimant had a market gain with respect to his, her, or its overall transactions in Telestone common stock during the Class period, the value of the Claimant’s Recognized Claim shall be zero. Such Claimants shall in any event be bound by the Settlement. To the extent that a Claimant suffered an overall market loss with respect to his, her, or its overall transactions in Telestone common stock during the Class period, but that market loss was less than the total Recognized Claim calculated above, then the Claimant’s Recognized Claim shall be limited to the amount of the actual market loss.

52. For purposes of determining whether a Claimant had a market gain with respect to his, her, or its overall transactions in Telestone common stock during the Class period or suffered a market loss, the Claims Administrator shall determine the difference between (i) the Total

Purchase Amount⁷ and (ii) the sum of the Total Sales Proceeds⁸ and Total Holding Value.⁹ This difference shall be deemed a Claimant's market gain or loss with respect to his, her, or its overall transactions in Telestone common stock during the Class period.

53. After the initial distribution of the Net Settlement Fund, the Claims Administrator shall make reasonable and diligent efforts to have Authorized Claimants cash their distribution checks. To the extent any monies remain in the fund nine (9) months after the initial distribution, if Lead Counsel, in consultation with the Claims Administrator, determines that it is cost-effective to do so, the Claims Administrator shall conduct a re-distribution of the funds remaining after payment of any unpaid fees and expenses incurred in administering the Settlement, including for such re-distribution, to Authorized Claimants who have cashed their initial distributions and who would receive at least \$10.00 from such re-distribution. Additional re-distributions to Authorized Claimants who have cashed their prior checks and who would receive at least \$10.00 on such additional re-distributions may occur thereafter if Lead Counsel, in consultation with the Claims Administrator, determines that additional re-distributions, after the deduction of any additional fees and expenses incurred in administering the Settlement, including for such re-distributions, would be cost-effective. At such time as it is determined that the re-distribution of funds remaining in the Net Settlement Fund is not cost-effective, the remaining balance shall be contributed to non-sectarian, not-for-profit organization(s), to be recommended by Lead Counsel and approved by the Court.

54. Payment pursuant to the Plan of Allocation, or such other plan of allocation as may be approved by the Court, shall be conclusive against all Authorized Claimants. No person shall have any claim against Lead Plaintiff, Lead Counsel, Lead Plaintiff's damages expert, Mazars CPA, Mazars CPA's Counsel, or any of the other Releasees, or the Claims Administrator or other agent designated by Lead Counsel arising from distributions made substantially in accordance with the Stipulation, the plan of allocation approved by the Court, or further Orders of the Court. Lead Plaintiff, Mazars CPA and their respective counsel, and all other Mazars CPA Releasees, shall have no responsibility or liability whatsoever for the investment or distribution of the Settlement Fund, the Net Settlement Fund, the plan of allocation, or the determination, administration, calculation, or payment of any Claim Form or nonperformance of the Claims Administrator, the payment or withholding of taxes owed by the Settlement Fund, or any losses incurred in connection therewith.

⁷ The "Total Purchase Amount" is the total amount the Claimant paid (excluding commissions and other charges) for all Telestone common stock purchased or acquired during the Class period.

⁸ The Claims Administrator shall match any sales of Telestone common stock during the Class period, first against the Claimant's opening position in Telestone common stock (the proceeds of those sales will not be considered for purposes of calculating market gains or losses). The total amount received (excluding commissions and other charges) for the remaining sales of Telestone common stock sold during the Class period shall be the "Total Sales Proceeds".

⁹ The Claims Administrator shall ascribe a holding value of \$0.30 per share to all Telestone common stock purchased during the Class period and still held as of the close of trading on June 3, 2013, which is the day Telestone's shares resumed trading on the over-the-counter market following its NASDAQ delisting on April 17, 2013. The total calculated holding value for all Telestone common stock shall be the Claimant's "Total Holding Value."

55. The Plan of Allocation set forth herein is the plan that is being proposed to the Court for its approval by Lead Plaintiff after consultation with his damages expert. The Court may approve this plan as proposed or it may modify the Plan of Allocation without further notice to the Settlement Class. Any Orders regarding any modification of the Plan of Allocation will be posted on the settlement website, www.TelestoneSettlement.com.

**WHAT PAYMENT ARE THE ATTORNEYS FOR THE SETTLEMENT CLASS SEEKING?
HOW WILL THE LAWYERS BE PAID?**

56. Lead Counsel have not received any payment for their services in pursuing claims against the Defendants (including Mazars CPA) on behalf of the Settlement Class, nor have Lead Counsel been reimbursed for their out-of-pocket expenses. Before final approval of the Settlement, Lead Counsel will apply to the Court for an award of attorneys' fees in an amount not to exceed 33 1/3% of the Settlement Fund. At the same time, Lead Counsel also intends to apply for reimbursement of Litigation Expenses in an amount not to exceed \$65,000, which may include an application for reimbursement of the reasonable costs and expenses incurred by Lead Plaintiff directly related to his representation of the Settlement Class. The Court will determine the amount of any award of attorneys' fees or reimbursement of Litigation Expenses. Such sums as may be approved by the Court will be paid from the Settlement Fund. Settlement Class Members are not personally liable for any such fees or expenses.

**WHAT IF I DO NOT WANT TO BE A MEMBER OF THE SETTLEMENT CLASS?
HOW DO I EXCLUDE MYSELF?**

57. Each Settlement Class Member will be bound by all determinations and judgments in this lawsuit, whether favorable or unfavorable, unless such person or entity mails or delivers a written Request for Exclusion from the Settlement Class, addressed to *Telestone Technologies Securities Litigation*, EXCLUSIONS, c/o Angeion Group, 1801 Market Street, Suite 660, Philadelphia, PA 19103. The exclusion request must be *received* no later than February 13, 2018. You will not be able to exclude yourself from the Settlement Class after that date. Each Request for Exclusion must (a) state the name, address and telephone number of the person or entity requesting exclusion, and in the case of entities the name and telephone number of the appropriate contact person; (b) state that such person or entity "requests exclusion from the Settlement Class in *Telestone Technologies Securities Litigation*, Case No. 2:15-cv-00703-JMV-MF"; (c) identify and state the number of share of Telestone common stock that the person or entity requesting exclusion purchased and/or sold during the Class period (*i.e.*, between March 31, 2010 and April 16, 2013, inclusive), as well as the dates and prices of each such purchase/acquisition and sale; and (d) be signed by the person or entity requesting exclusion or an authorized representative. A Request for Exclusion shall not be valid and effective unless it provides all the information called for in this paragraph and is received within the time stated above, or is otherwise accepted by the Court.

58. If you do not want to be part of the Settlement Class, you must follow these instructions for exclusion even if you have pending, or later file, another lawsuit, arbitration, or other proceeding relating to any Released Plaintiff's Claim against any of the Mazars CPA Releasees.

59. If you ask to be excluded from the Settlement Class, you will not be eligible to receive any payment out of the Net Settlement Fund.

60. Mazars CPA has the right to terminate the Settlement if valid requests for exclusion are received from persons and entities entitled to be members of the Settlement Class in an amount that exceeds an amount agreed to by Lead Plaintiff and Mazars CPA.

WHEN AND WHERE WILL THE COURT DECIDE WHETHER TO APPROVE THE SETTLEMENT? DO I HAVE TO COME TO THE HEARING? MAY I SPEAK AT THE HEARING IF I DON'T LIKE THE SETTLEMENT?

61. **Settlement Class Members do not need to attend the Settlement Hearing. The Court will consider any submission made in accordance with the provisions below even if a Settlement Class Member does not attend the hearing. You can participate in the Settlement without attending the Settlement Hearing.**

62. The Settlement Hearing will be held on March 6, 2018 at 10:30 a.m., before the Honorable John Michael Vazquez at the United States District Court for the District of New Jersey, U.S. Courthouse and Post Office Building, Courtroom PO 3, 2 Federal Square, Newark, New Jersey, 07102. The Court reserves the right to approve the Settlement, the Plan of Allocation, Lead Counsel's motion for an award of attorneys' fees and reimbursement of Litigation Expenses and/or any other matter related to the Settlement at or after the Settlement Hearing without further notice to the members of the Settlement Class.

63. Any Settlement Class Member who or which does not request exclusion may object to the Settlement, the proposed Plan of Allocation or Lead Counsel's motion for an award of attorneys' fees and reimbursement of Litigation Expenses. Objections must be in writing. You must file any written objection, together with copies of all other papers and briefs supporting the objection, with the Clerk's Office at the United States District Court for the District of New Jersey at the address set forth below on or before February 13, 2018. You must also serve the papers on Lead Counsel and on Mazars CPA's Counsel at the addresses set forth below so that the papers are **received on or before February 13, 2018**.

Clerk's Office

U.S. District Court for the District of New Jersey
Clerk of the Court
Martin Luther King Building
& U.S. Courthouse
50 Walnut Street, Room 4015
Newark, NJ 07101

Lead Counsel

Glancy Prongay & Murray LLP
Attn: Casey E. Sadler
1925 Century Park East
Suite 2100
Los Angeles, California 90067

Carella, Byrne, Cecchi, Olstein, Brody & Agnello, P.C.
Attn: Donald A. Ecklund
5 Becker Farm Road
Roseland, New Jersey 07068

Mazars CPA's Counsel

Norton Rose Fulbright US LLP
Attn: Scott P. Drake
2200 Ross Ave, Suite 3600
Dallas, Texas 75201

64. Any objection (a) must state the name, address and telephone number of the person or entity objecting and must be signed by the objector; (b) must contain a statement of the Settlement Class Member's objection or objections, and the specific reasons for each objection, including any legal and evidentiary support the Settlement Class Member wishes to bring to the Court's attention; and (c) must include documents sufficient to prove membership in the Settlement Class, including the number of shares of Telestone common stock that the objecting Settlement Class Member purchased/acquired and/or sold during the Class period (*i.e.*, between March 31, 2010 and April 16, 2013, inclusive), as well as the dates and prices of each such purchase and sale. You may not object to the Settlement, the Plan of Allocation or Lead Counsel's motion for attorneys' fees and reimbursement of Litigation Expenses if you exclude yourself from the Settlement Class or if you are not a member of the Settlement Class.

65. You may file a written objection without having to appear at the Settlement Hearing. You may not, however, appear at the Settlement Hearing to present your objection unless you first file and serve a written objection in accordance with the procedures described above, unless the Court orders otherwise.

66. If you wish to be heard orally at the hearing in opposition to the approval of the Settlement, the Plan of Allocation or Lead Counsel's motion for an award of attorneys' fees and reimbursement of Litigation Expenses, and if you timely file and serve a written objection as described above, you must also file a notice of appearance with the Clerk's Office and serve it on Lead Counsel and Mazars CPA's Counsel at the addresses set forth above so that it is ***received on or before February 13, 2018***. Persons who intend to object and desire to present evidence at the Settlement Hearing must include in their written objection or notice of appearance the identity of any witnesses they may call to testify and exhibits they intend to introduce into evidence at the hearing. Such persons may be heard orally at the discretion of the Court.

67. You are not required to hire an attorney to represent you in making written objections or in appearing at the Settlement Hearing. However, if you decide to hire an attorney, it will be at your own expense, and that attorney must file a notice of appearance with the Court and serve it on Lead Counsel and Mazars CPA's Counsel at the addresses set forth in ¶ 63 above so that the notice is ***received on or February 13, 2018***.

68. The Settlement Hearing may be adjourned by the Court without further written notice to the Settlement Class. If you intend to attend the Settlement Hearing, you should confirm the date and time with Lead Counsel.

69. Unless the Court orders otherwise, any Settlement Class Member who does not object in the manner described above will be deemed to have waived any objection and shall be forever foreclosed from making any objection to the proposed Settlement, the proposed Plan of Allocation or Lead Counsel's motion for an award of attorneys' fees and reimbursement of Litigation Expenses. Settlement Class Members do not need to appear at the Settlement Hearing or take any other action to indicate their approval.

WHAT IF I BOUGHT SHARES ON SOMEONE ELSE'S BEHALF?

70. If you purchased the common stock of Telestone between March 31, 2010 and April 16, 2013, inclusive, for the beneficial interest of persons or organizations other than yourself, you must either (a) within seven (7) calendar days of receipt of this Notice, request from the Claims Administrator sufficient copies of the Postcard Notice to forward to all such beneficial owners and

within seven (7) calendar days of receipt of those Postcard Notices forward them to all such beneficial owners; or (b) within seven (7) calendar days of receipt of this Notice, provide a list of the names and addresses of all such beneficial owners to *Telestone Technologies Securities Litigation*, c/o Angeion Group, 1801 Market Street, Suite 660, Philadelphia, PA 19103. If you choose the second option, the Claims Administrator will send a copy of the Postcard Notices to the beneficial owners. Upon full compliance with these directions, such nominees may seek reimbursement of their reasonable expenses actually incurred, by providing the Claims Administrator with proper documentation supporting the expenses for which reimbursement is sought. Copies of this Notice and the Claim Form may also be obtained from the website maintained by the Claims Administrator, www.TelestoneSettlement.com, or by calling the Claims Administrator toll-free at 1-844-225-4532.

CAN I SEE THE COURT FILE? WHOM SHOULD I CONTACT IF I HAVE QUESTIONS?

71. This Notice contains only a summary of the terms of the proposed Settlement. For more detailed information about the matters involved in this Action, you are referred to the papers on file in the Action, including the Stipulation, which may be inspected during regular office hours at the Office of the Clerk, United States District Court for the Southern District of Texas, United States Courthouse, 515 Rusk Avenue, Houston, TX 77002. Additionally, copies of the Stipulation and any related orders entered by the Court will be posted on the website maintained by the Claims Administrator, www.TelestoneSettlement.com.

All inquiries concerning this Notice and the Claim Form should be directed to:

Telestone Technologies Securities Litigation,
c/o Angeion Group,
1801 Market Street, Suite 660
Philadelphia, PA 19103
1-844-225-4532
Telestone@AdministratorClassAction.com
www.TelestoneSettlement.com

Inquiries, other than requests for the Notice and Claim Form, should be made to Lead Counsel:

Glancy Prongay & Murray LLP
Attn: Casey E. Sadler
1925 Century Park East, Suite 2100
Los Angeles, California 90067
Email: settlements@glancylaw.com
Telephone: (888) 773-9224

Carella, Byrne, Cecchi,
Olstein, Brody & Agnello, P.C.
Attn: Donald Ecklund
5 Becker Farm Road
Roseland, New Jersey 07068

Email: decklund@carellabyrne.com
Telephone: (973) 994-1700

**DO NOT CALL OR WRITE THE COURT, THE OFFICE OF THE
CLERK OF THE COURT, MAZARS CPA OR THEIR COUNSEL
REGARDING THIS NOTICE.**

Dated: September 25, 2017

By Order of the Court
United States District Court
for the District of New Jersey