

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

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In re THIRD AVENUE MANAGEMENT	:	Civil Action No. 1:16-cv-02758-PKC
LLC SECURITIES LITIGATION	:	
_____	:	<u>CLASS ACTION</u>
	:	
This Document Relates To:	:	STIPULATION OF SETTLEMENT
	:	
ALL ACTIONS.	:	
_____	X	

This Stipulation of Settlement dated March 31, 2017 (the “Stipulation”) is made and entered into pursuant to Rule 23 of the Federal Rules of Civil Procedure and the Private Securities Litigation Reform Act of 1995 (the “PSLRA”) and contains the terms of a settlement by and among the following parties to this Action (as defined below): (a) Lead Plaintiff IBEW Local No. 58 Sound & Communication Division Retirement Plan (“IBEW 58”) and plaintiff Anthony Dallacasa (together, the “Plaintiffs”), on behalf of themselves and each of the Class Members (as defined below); and (b) defendants William E. Chapman, II, Lucinda Franks, Edward J. Kaier, Patrick Reinkemeyer, Eric P. Rakowski, Martin Shubik, Charles C. Walden, Martin J. Whitman, David M. Barse, Vincent J. Dugan, Jack W. Aber, Marvin Moser, Third Avenue Trust (the “Trust”), Third Avenue Management LLC (the “Advisor”), Affiliated Managers Group, Inc. (“AMG”), M.J. Whitman LLC (“MJW”) (collectively, the “Defendants” and together with Plaintiffs, the “Settling Parties”), by and through their respective undersigned counsel and, as applicable, their respective authorized representatives.

This Stipulation is intended by the Settling Parties to fully, finally, and forever resolve, discharge, and settle the Released Plaintiffs’ Claims (as defined below) against the Released Persons (as defined below), and all of the Released Defendants’ Claims (as defined below), upon and subject to the terms and conditions hereof and subject to the approval of this Court.

I. THE LITIGATION

Third Avenue Focused Credit Fund (the “Fund”) is one of a family of open-end mutual funds offered by the Trust, which is organized as a Delaware Statutory Trust and registered as an investment company under the Investment Company Act of 1940, 15 U.S.C. §80a-1 *et seq.* The Advisor is the investment advisor to the funds offered by the Trust.

Since its inception in 2009, the Fund has had a stated investment objective of seeking long-term total return by, among other things, investing a substantial amount of its assets in credit

instruments that are rated below investment grade. As investors in an open-end mutual fund, shareholders purchased and redeemed shares in transactions directly with the Fund at the Net Asset Value (“NAV”). During 2015, the Fund experienced a significant increase in the amount of redemptions by shareholders. The Fund sold assets for cash to meet shareholders’ redemption submissions. By December 9, 2015, shareholders were no longer able to redeem shares for cash because the Fund was unable to generate sufficient cash to meet redemptions without resorting to asset sales at prices that would disadvantage the remaining shareholders of the Fund.

As a result, on December 9, 2015, the Fund’s Board of Trustees determined to place the Fund’s assets in a liquidating trust and initiate a plan of liquidation for the orderly sale of Fund assets and the distribution of proceeds to shareholders (the “Liquidation”). The Fund then requested that the Securities and Exchange Commission (“SEC”) allow the Fund to suspend redemptions. On December 16, 2015, the SEC entered an order permitting the temporary suspension of the right of redemption for the protection of the Fund’s security holders, and all assets were transferred from the liquidating trust back to the Fund. The Fund is currently being liquidated pursuant to the plan of liquidation and the SEC’s December 16, 2015 order.

On January 15, 2016, William Engel filed a complaint in New York State Supreme Court, County of New York, captioned *Engel v. Third Avenue Management Company, et al.*, No. 650196/2016 (the “Engel Action”), purporting to bring derivative claims against certain of the Defendants relating to the management and operation of the Fund and the Liquidation.

On January 27, 2016, Loi Tran filed a complaint in the United States District Court for the Central District of California (the “California Federal Court”), purporting to bring federal securities claims against certain Defendants (the “Tran Action”).

On February 2, 2016, Inter-Marketing Group USA, Inc. filed a complaint in the California Federal Court, purporting to bring federal securities claims against certain Defendants (the “Inter-Marketing Group Action”).

On February 3, 2016, Scott Matthews filed a complaint in the California Federal Court, purporting to bring federal securities claims against certain Defendants (the “Matthews Action”).

On February 9, 2016, Suprabha Bhat filed a complaint in the California Federal Court, purporting to bring federal securities claims against certain Defendants (the “Bhat Action,” and together with the Tran Action, the Inter-Marketing Group Action, and the Matthews Action, the “Original Securities Actions”).

On February 12, 2016, the Engel Action was removed to this Court and was later re-captioned *Engel v. Third Avenue Management LLC, et al.*, No. 1:16-cv-01118-PKC. On March 8, 2016, William Engel filed an amended complaint in the Engel Action.

On April 1, 2016, Livio Broccolino filed a complaint in this Court, captioned *Broccolino v. Third Avenue Management Company LLC, et al.*, No. 1:16-cv-02436-PKC (the “Broccolino Action”), purporting to bring derivative claims against certain of the Defendants relating to the management and operation of the Fund and the Liquidation.

On April 8, 2016, Avi Wagner filed a complaint in the Court of Chancery of the State of Delaware (the “Delaware Court”), captioned *Wagner v. Third Avenue Management LLC, et al.*, C.A. No. 12184-VCL (the “Wagner Action”), purporting to bring class and derivative claims against certain of the Defendants relating to the management and operation of the Fund and the Liquidation.

On April 12, 2016, Livio Broccolino filed a motion to consolidate the Broccolino Action and the Engel Action in this Court.

On April 13, 2016, the Original Securities Actions were transferred to this Court.

On April 21, 2016, the Court denied plaintiff Broccolino's motion to consolidate and stayed the Broccolino Action pending resolution of the Engel Action.

On May 13, 2016, the Court consolidated the Original Securities Actions, captioned the Action *In re Third Avenue Management LLC Securities Litigation*, No. 16-cv-2758-PKC, and named plaintiff IBEW 58 as Lead Plaintiff in the Action.

On June 17, 2016, the defendants in the Engel Action filed motions to dismiss the Engel Action.

On July 12, 2016, Plaintiffs in this Action filed a Consolidated Amended Complaint for Violations of the Federal Securities Laws ("CAC"). The CAC alleged causes of action for violations of Sections 11, 12(a), and 15 of the Securities Act of 1933, and alleged, *inter alia*, that: (i) the Fund's Registration Statement misrepresented the liquidity of the Fund's assets, which Plaintiffs assert was greater than the Fund's purported 15% restriction on such holdings and parallel SEC guidance; (ii) the Fund misrepresented the shareholders' ability to redeem shares in light of the Fund's insufficient liquidity and the substantial amount of redemptions that could force the Fund to suspend redemptions; (iii) the Fund inaccurately marketed itself as a "high-yield" fund, when it was actually a "highly illiquid distressed debt fund"; (iv) the Fund misrepresented Defendants' ability to properly value securities because the Fund did not properly identify illiquid securities or take into account the illiquid nature of its assets when determining their values; (v) the Fund's Registration Statement contained false and misleading sworn certifications; and (vi) the Fund did not comply with the SEC's requirement in Form N-1A that mutual fund prospectuses disclose the principal risks of investing in the Fund.

On August 24, 2016, Daniel Krasner filed a complaint in the Delaware Court, captioned *Krasner v. Third Avenue Management LLC, et al.*, C.A. No. 12681-VCL (the "Krasner Action"),

purporting to bring class and derivative claims against certain of the Defendants relating to the management and operation of the Fund and the Liquidation.

On September 15, 2016, the Delaware Court entered an order consolidating the Krasner Action and the Wagner Action and directing plaintiffs to file a consolidated amended complaint to serve as the operative complaint in the consolidated action (the “Delaware Derivative Action”).

On September 30, 2016, the Defendants filed a motion to dismiss this Action in its entirety.

On October 14, 2016, plaintiffs filed an amended derivative complaint in the Delaware Derivative Action.

On October 28, 2016, plaintiff Krasner filed a motion to intervene in the Engel Action.

On November 3, 2016, defendants filed motions to dismiss the Delaware Derivative Action, and, on November 21, 2016, the defendants filed an opening brief in support thereof, which Plaintiffs answered with an opposing brief on December 23, 2016.

On December 2, 2016, Plaintiffs filed an opposition to Defendants’ motion to dismiss the CAC in this Action.

At the suggestion of the Court, on December 13, 2016, the Settling Parties and the parties in the Delaware Derivative Action participated in a mediation session with the Honorable Layn R. Phillips (Ret.) (“Judge Phillips”), a former United States District Court Judge.

On January 6, 2017, following further discussions among the Settling Parties and Judge Phillips, the Settling Parties reached an agreement in principle to settle the Action on the terms set forth herein.

On January 13, 2017, following further discussions among the parties to the Delaware Derivative Action and Judge Phillips, the parties to that action reached an agreement in principle to settle that action.

Plaintiffs engaged in confirmatory discovery concerning factual representations made by Defendants at the mediation. Defendants produced documents in response to Plaintiffs' counsel's requests, concerning, among other things, the involvement of certain Defendants in the wrongdoing alleged by Plaintiffs, the financial condition of the Advisor, and the negative consequences suffered by the Advisor due to the suspension of redemptions of shares of the Fund. Plaintiffs' counsel conducted an interview of a senior executive of the Advisor concerning these and other issues.

II. CLAIMS OF PLAINTIFFS AND BENEFITS OF SETTLEMENT

Lead Counsel, on behalf of Plaintiffs, has conducted a thorough investigation relating to the claims and the underlying events and transactions alleged in the CAC. This investigation included, among other things, detailed analyses of public filings, press releases, public statements, investor communications, publicly available news articles and reports about Defendants and the Fund, and information obtained through confirmatory discovery. Plaintiffs also researched and analyzed the Fund's assets and relevant market data, including trading patterns and peer performance. Plaintiffs continue to believe that the claims asserted in the Action have merit. However, Plaintiffs and Plaintiffs' counsel recognize the significant expense, length, and complexity of continued proceedings necessary to prosecute the Action against Defendants through appeal and trial, even if Plaintiffs were ultimately to succeed on the merits. Plaintiffs' counsel have taken into account the uncertain outcome and the risk of litigation, especially in complex actions such as this Action, as well as the difficulties and delays inherent in such litigation. They also are mindful of the procedural posture of the case, the inherent problems of proof of, and defenses to, the allegations and claims asserted in the Action as well as the Defendants' financial resources and ability to fund a larger settlement or significant judgment if successful after trial and upheld after likely appeal(s).

Accordingly, Plaintiffs, through their counsel, conducted discussions and arm's-length negotiations with counsel for Defendants with the assistance of Judge Phillips, in an effort to settle the Action, and achieve the best relief possible for the benefit of the Class (as defined below).

Based upon its investigation and knowledge of the relevant legal issues and the confirmatory discovery that has been conducted, Lead Counsel has concluded that the terms and conditions of this Stipulation are fair, reasonable, and adequate to Plaintiffs and the Class, and in their best interests. Lead Counsel and Plaintiffs believe that the Settlement set forth in this Stipulation confers substantial benefits upon the Class and each of the Class Members (as defined below), and have agreed to settle the claims raised in the Action pursuant to the terms and provisions of this Stipulation, after considering: (a) the benefits that Plaintiffs and the members of the Class will receive from the settlement of the Action; (b) the attendant risks of continuing litigation; and (c) the desirability of permitting the Settlement to be consummated as provided by the terms of this Stipulation.

III. NO ADMISSION OF WRONGDOING BY DEFENDANTS

Defendants deny that they have committed or intended to commit any wrongdoing or violations of law arising out of any of the conduct, statements, acts, or omissions alleged in the Action, and maintain that their conduct was at all times proper and in compliance with applicable provisions of law (including the federal securities laws). Defendants further deny that they made any material misstatements or omissions in the Fund's offering materials; that Plaintiffs or the Class have suffered any damages; that Plaintiffs or the Class were harmed by any conduct that was or could have been alleged in the Action; or that any causal connection existed between the alleged misrepresentations and any alleged harm to Plaintiffs or the Class. The Individual Defendants (as defined below) deny the allegations against them concerning any alleged wrongdoing or violations

of law, and further assert that, at all relevant times, they acted in compliance with all applicable laws (including the federal securities laws), in good faith, and in a manner they reasonably believed to be in the best interests of the Fund.

Defendants, however, recognize the uncertainty and the risk of the outcome of any litigation, especially complex securities litigation, and the difficulties and substantial burden, expense, and length of time necessary to continue to defend this Action. To eliminate the burden and expense of further litigation, Defendants wish to settle the Action on the terms and conditions stated in this Stipulation and to put the Released Plaintiffs' Claims to rest finally and forever, without in any way acknowledging any wrongdoing, fault, liability, causation, or damages to Plaintiffs and the Class.

This Stipulation and all negotiations, discussions, and proceedings in connection herewith shall not be deemed or constitute a presumption, concession, or admission by any of the Settling Parties of any fault, liability, or wrongdoing by them, and shall not be interpreted, construed, deemed, involved, offered, or received in evidence or otherwise used by any Person in the Action, or in any other action or proceeding, whether civil, criminal, or administrative, except in connection with any proceeding to enforce the terms of this Stipulation. If the Settlement does not become effective, as set forth in ¶ 10.1, the Settling Parties shall revert to their respective litigation positions as if this Stipulation, and all negotiations, discussions, and proceedings in connection herewith, never existed.

IV. TERMS OF STIPULATION AND AGREEMENT OF SETTLEMENT

NOW THEREFORE, IT IS HEREBY STIPULATED AND AGREED, by and among Plaintiffs (on behalf of themselves and each of the Class Members) and Defendants, by and through their respective undersigned counsel or attorneys of record, that without any admission or concession on the part of Plaintiffs of any lack of merit of the Action whatsoever, and without any admission or

concession by Defendants of any liability or wrongdoing or lack of merit in the defenses to the Action whatsoever, subject to the approval of the Court pursuant to Rule 23(e) of the Federal Rules of Civil Procedure and the PSLRA, and in consideration of the benefits flowing to the Settling Parties from the Settlement, that all Released Plaintiffs' Claims as against the Released Persons, and all Released Defendants' Claims, shall be finally, fully, and forever compromised, settled, and released and the Action shall be dismissed with prejudice as to all Released Persons, upon and subject to the following terms and conditions:

1. Definitions

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

1.1 "Action" means the consolidated shareholder class action captioned *In re Third Avenue Management LLC Securities Litigation*, No. 16-cv-2758-PKC, pending in the United States District Court for the Southern District of New York.

1.2 "Authorized Claimant" means any Class Member whose claim for recovery has been allowed pursuant to the terms of this Stipulation.

1.3 "Claims Administrator" means the firm of Gilardi & Co. LLC.

1.4 "Class" and "Class Members" mean all Persons who purchased shares of the Fund during the period from March 1, 2013 through December 10, 2015. Excluded from the Class are Defendants, employees, officers and directors of the Defendant entities, members of the immediate families of each of the Individual Defendants, the estates of the deceased Individual Defendants, any Person in which any Defendant has a controlling interest and, as to such excluded Person, the legal and personal representatives, agents, assigns and heirs, successors or assigns of any such excluded Person. Also excluded from the Class are any Class Members who timely and validly exclude themselves from the Class in accordance with the requirements set forth in the Notice.

1.5 “Class Period” means the period between March 1, 2013 through December 10, 2015, inclusive.

1.6 “Defendants” means defendants William E. Chapman, II, Lucinda Franks, Edward J. Kaier, Patrick Reinkemeyer, Eric P. Rakowski, Martin Shubik, Charles C. Walden, Martin J. Whitman, David M. Barse, Vincent J. Dugan, Jack W. Aber, Marvin Moser, the Trust, the Advisor, AMG and MJW. Defendants Jack W. Aber and Marvin Moser are deceased.

1.7 “Effective Date” means the date upon which the Settlement contemplated by this Stipulation shall become effective, as set forth in ¶ 10.1.

1.8 “Escrow Agent” means Robbins Geller Rudman & Dowd LLP or its successor(s).

1.9 “Final” with respect to the Final Order and Judgment approving this Settlement or any other court order means: (a) if no appeal from the Final Order and Judgment is taken, the date on which the time for taking such appeal expires; or (b) if any appeal is taken, the date on which all appeals, including petitions for rehearing or reargument, and any related appeals or petitions (including as to any appeal bond), have been finally disposed of (whether through expiration of time to file, denial of any request for review, affirmance on the merits, or otherwise) in a manner that does not result in any material alteration of the Final Order and Judgment. A court’s ruling or failure to rule on (i) any application for attorneys’ fees and expenses, or any modification or reversal of any award of attorneys’ fees and expenses or (ii) any plan of allocation, or any reversal, vacation, or modification thereof, shall not preclude the Final Order and Judgment from becoming Final.

1.10 “Final Order” means the Order Approving Class Action Settlement, substantially in the form attached hereto as Exhibit B.

1.11 “Independent Trustees” means William E. Chapman, II, Lucinda Franks, Edward J. Kaier, Patrick Reinkemeyer, Eric P. Rakowski, Martin Shubik, Charles C. Walden, Jack W. Aber, and Marvin Moser.

1.12 “Individual Defendants” means William E. Chapman, II, Lucinda Franks, Edward J. Kaier, Patrick Reinkemeyer, Eric P. Rakowski, Martin Shubik, Charles C. Walden, Martin J. Whitman, David M. Barse, Vincent J. Dugan, Jack W. Aber and Marvin Moser.

1.13 “Judgment” means the judgment to be rendered by the Court, substantially in the form attached hereto as Exhibit C.

1.14 “Lead Counsel” means Robbins Geller Rudman & Dowd LLP or its successor(s).

1.15 “Lead Plaintiff” means IBEW 58.

1.16 “Notice” means the Notice of Pendency and Proposed Settlement of Class Action, which is to be sent to all Class Members, substantially in the form attached hereto as Exhibit A-1, or as modified pursuant to agreement of the Settling Parties or order of the Court.

1.17 “Notice Program” means the program for informing potential Class Members about the proposed Settlement, including the Notice, the Summary Notice, and the manner of delivering and publishing such notices.

1.18 “Person” means any individual, corporation, limited liability company, professional corporation, limited liability partnership, partnership, limited partnership, association, joint stock company, estate, legal representative, trust, unincorporated association, government or any political subdivision or agency thereof, and any business or legal entity and their respective spouses, agents, heirs, predecessors, successors, personal representatives, representatives, or assigns.

1.19 “Plaintiffs” means IBEW 58 and Anthony Dallacasa.

1.20 “Plaintiffs’ Counsel” means any counsel who have appeared on behalf of any plaintiff in the Action.

1.21 “Preliminary Approval Order” means the proposed order to be entered by the Court preliminarily approving the Settlement and directing notice thereof to the Class, substantially in the form of Exhibit A attached hereto.

1.22 “Proof of Claim” means the proposed Proof of Claim and Release form to be submitted by Class Members, substantially in the form attached hereto as Exhibit A-2.

1.23 “Released Claims” means all of the Released Plaintiffs’ Claims and all of the Released Defendants’ Claims (as defined herein).

1.24 “Released Defendants’ Claims” is defined in ¶ 11.3.

1.25 “Released Persons” is defined in ¶ 11.1.

1.26 “Released Plaintiffs’ Claims” is defined in ¶ 11.2.

1.27 “Releasing Plaintiffs” is defined in ¶ 11.2.

1.28 “Settlement” means the settlement embodied by this Stipulation.

1.29 “Settlement Hearing” means the final hearing to be held by the Court to determine whether to approve the Settlement of the Action as set forth herein.

1.30 “Summary Notice” means the Summary Notice to be published in *The Wall Street Journal*, and over the *Business Wire* or *PR Newswire*, substantially in the form attached hereto as Exhibit A-3, or as modified pursuant to agreement of the Settling Parties or order of the Court.

1.31 “Unknown Claims” means any Released Plaintiffs’ Claim that the Lead Plaintiff or any Class Member does not know or suspect to exist in his, her or its favor at the time of the release of the Released Persons, which, if known by him, her or it, would or might have affected his, her or its settlement with and release of the Released Persons, or would or might have affected his, her or

its decision not to object to this Settlement; and any Released Defendants' Claim that any Defendant does not know or suspect to exist in his, her or its favor at the time of the release, which, if known by him, her or it, would or might have affected his, her or its decision(s) with respect to the Settlement. Plaintiffs or the Class Members may hereafter discover facts in addition to or different from those that he, she or it now knows or believes to be true with respect to the subject matter of the Released Plaintiffs' Claims, but, upon the Effective Date, Plaintiffs and the Class Members shall have expressly waived and shall be deemed to have, and by operation of the Final Order and Judgment shall have, fully, finally, and forever waived, relinquished, settled and released any and all Released Plaintiffs' Claims (including Unknown Claims), known or unknown, suspected or unsuspected, contingent or non-contingent, whether or not concealed or hidden, that now exist, or heretofore have existed, upon any theory of law or equity now existing or coming into existence in the future, including, but not limited to, conduct that is negligent, intentional, with or without malice, or a breach of any duty, law or rule, without regard to the subsequent discovery or existence of such different or additional facts. Likewise, Defendants may hereafter discover facts in addition to or different from those that he, she or it now knows or believes to be true with respect to the subject matter of the Released Defendants' Claims, but, upon the Effective Date, Defendants shall have expressly waived and shall be deemed to have, and by operation of the Final Order and Judgment shall have fully, finally, and forever waived, relinquished, settled and released any and all Released Defendants' Claims (including Unknown Claims), known or unknown, suspected or unsuspected, contingent or non-contingent, whether or not concealed or hidden, that now exist, or heretofore have existed, upon any theory of law or equity now existing or coming into existence in the future, including, but not limited to, breach of any duty, law or rule, without regard to the subsequent discovery or existence of such different or additional facts. Plaintiffs and Defendants acknowledge,

and the Class Members by operation of law shall be deemed by operation of the Final Order and Judgment to have acknowledged, that the inclusion of Unknown Claims in the definition of Released Claims, Released Defendants' Claims and Released Plaintiffs' Claims was separately bargained for and is a key element of the Settlement, of which this release is a material and essential part, and expressly waive the benefits of (a) the provisions of §1542 of the California Civil Code, which provides that:

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,

and (b) any and all provisions or rights conferred by any law of any state or territory of the United States, or principle of common law, that is similar, comparable or equivalent to California Civil Code §1542.

2. Scope and Effect of Settlement

2.1 The satisfaction of the obligations incurred pursuant to this Stipulation shall be in full and final disposition of the Action and any and all Released Claims as against all Released Persons.

2.2 Upon the Effective Date, the Releasing Plaintiffs shall, with respect to each and every Released Plaintiffs' Claim, release and fully, finally, and forever discharge, and shall forever be enjoined from prosecuting, any Released Plaintiffs' Claim against any of the Released Persons.

2.3 Upon the Effective Date, each of the Defendants, on behalf of themselves and their heirs, successors, and assigns, shall release and fully, finally, and forever discharge each and every Released Defendants' Claims, and shall be forever enjoined from prosecuting, any Released Defendants' Claims.

3. The Settlement Consideration

a. The Settlement Fund

3.1 In full settlement of the Released Plaintiffs' Claims, within ten (10) business days after the Court enters the Preliminary Approval Order, the Fund shall cause to be paid the sum of Fourteen Million Two Hundred and Fifty Thousand Dollars (\$14,250,000) (the "Settlement Amount") into a separate interest-bearing escrow account maintained by the Escrow Agent, on behalf of Lead Plaintiff and the Class. The sum in the interest-bearing escrow account, from which any Taxes (as defined below) and other expenses and costs as described below shall be paid, shall be the "Settlement Fund."

3.2 The Settlement Fund shall be applied as follows:

- (a) to pay the Notice and Administration Costs as referred to in ¶5.3;
- (b) to pay the attorneys' fee and expense award referred to in ¶¶6.1-6.4;
- (c) to pay the Taxes and Tax Expenses described in ¶3.7; and
- (d) to distribute the balance of the Settlement Fund (the "Net Settlement Fund")

to Authorized Claimants as provided in ¶¶7.1-7.5.

3.3 Other than cooperating as necessary with respect to the "relation-back election" as set out in ¶3.7, the Released Persons shall have no responsibility for or liability relating to maintaining or investing the Settlement Amount or the Settlement Fund, the establishment or maintenance of the escrow account, the payment of Taxes or Tax Expenses, or the distribution of the Settlement Fund or the Net Settlement Fund (as defined below), or the administration of the Settlement. The Released Persons take no position with respect to the provisions of this Stipulation governing those issues except as otherwise expressly provided in this Stipulation. The Released Persons shall have no

further or other liability or obligations to Plaintiffs, Plaintiffs' Counsel, or any member of the Class with respect to the Released Claims except as expressly stated in this Stipulation.

b. The Escrow Agent

3.4 The Escrow Agent shall invest any funds in the Settlement Fund in excess of One Hundred Thousand Dollars (\$100,000) in instruments backed by the full faith and credit of the United States Government or fully insured by the United States Government, or any agency thereof, and shall reinvest the proceeds of those instruments as they mature in similar instruments at their then-current market rates. Any funds held by the Escrow Agent in escrow hereunder in an amount of less than One Hundred Thousand Dollars (\$100,000) shall be held in an interest-bearing bank account insured by the FDIC. The Escrow Agent shall bear all risks related to investment of the Settlement Fund and shall indemnify the Released Persons and hold them harmless from and against any losses related to investment of the Settlement Fund.

3.5 All funds held by the Escrow Agent shall be deemed and considered to be in the custody of the Court, and shall remain subject to the jurisdiction of the Court until such time as such funds shall be distributed or returned to the Person(s) paying the same pursuant to this Stipulation and/or further order(s) of the Court.

3.6 The Escrow Agent shall not disburse the Settlement Fund except as provided in this Stipulation, by an order of the Court, or with the prior written agreement of counsel for Defendants and Plaintiffs' Counsel.

c. Taxes and Tax Expenses

3.7 (a) The Settling Parties and the Escrow Agent agree to treat the Settlement Fund as being at all times a "qualified settlement fund" within the meaning of Treasury Reg. §1.468B-2(k)(1). In addition, the Escrow Agent shall timely make such elections as necessary or advisable to

carry out the provision of this ¶3.7, including the “relation-back election” (as defined in Treasury Reg. §1.468B-1) back to the earliest permitted date. Such elections shall be made in compliance with the procedures and requirements contained in such regulations. It shall be the responsibility of the Escrow Agent to timely and properly prepare and deliver the necessary documentation for signature by all necessary parties, and thereafter to cause the appropriate filing to occur.

(b) For the purpose of §468B of the Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder, the “administrator” shall be the Escrow Agent. The Escrow Agent shall timely and properly file, or cause to be timely and properly filed, all informational and other tax returns necessary or advisable with respect to the Settlement Fund (including, without limitation, the returns described in Treasury Reg. §1.468B-2(k)). Such returns (as well as the election described in ¶3.7(a)) shall be consistent with this ¶3.7 and in all events shall reflect that all Taxes (including any estimated Taxes, interest, or penalties) on the income earned by the Settlement Fund shall be paid out of the Settlement Fund as provided in ¶3.7(c).

(c) All (i) Taxes (including any estimated Taxes, interest, or penalties) arising with respect to the income earned by the Settlement Fund, including any Taxes or tax detriment that may be imposed upon the Released Persons with respect to any income earned by the Settlement Fund for any period during which the Settlement Fund does not qualify as a “qualified settlement fund” for federal or state income tax purposes (“Taxes”), and (ii) expenses and costs incurred in connection with the taxation of the Settlement Fund and operation and implementation of this ¶3.7 (including, without limitation, expenses of tax attorneys and/or accountants) and mailing and distribution costs and expenses related to filing (or failing to file) the returns described in this ¶3.7 (“Tax Expenses”) shall be paid out of the Settlement Fund. Defendants and their corresponding Released Persons shall have no liability or responsibility for the payment of any Taxes or Tax

Expenses. The Escrow Agent shall indemnify and hold each of the Defendants and the Released Persons harmless for any Taxes and Tax Expenses (including, without limitation, Taxes payable by reason of any such indemnification). Further, Taxes and Tax Expenses shall be treated as, and considered to be, a cost of administration of the Settlement Fund, and shall be timely paid by the Escrow Agent out of the Settlement Fund without prior order from the Court, and the Escrow Agent shall be obligated (notwithstanding anything herein to the contrary) to withhold from distribution to Authorized Claimants any funds necessary to pay such amounts, including the establishment of adequate reserves for any Taxes and Tax Expenses (as well as any amounts that may be required to be withheld under Treasury Reg. §1.468B-2(1)(2)); neither Defendants nor the Released Persons are responsible nor shall they have any liability therefor. The Settling Parties agree to cooperate with the Escrow Agent, each other, and their tax attorneys and accountants to the extent necessary to carry out the provisions of this ¶3.7.

d. Termination of Settlement

3.8 In the event that the Stipulation is not approved, or is properly terminated, cancelled, or fails to become effective for any reason (including in the event the settlement of the Delaware Derivative Action is not approved by the Delaware Court or the settlement of the Delaware Derivative Action does not become Final, as set forth in ¶10.1(f)), the Settling Parties shall be deemed to have reverted to their respective status in the Action as of the execution of this Stipulation, and they shall promptly agree on a new scheduling order to govern further proceedings in the Action. In such event, the terms and provisions of this Stipulation, with the exception of ¶¶3.4-3.8 and 12.1, shall be null and void and have no further force and effect with respect to the Settling Parties and neither this Stipulation nor any submission by any of the Settling Parties in connection with the motion(s) for preliminary or final approval of the Settlement or a Fee and

Expense Application, as defined below, or appeal therefrom or any related motions or proceedings may be used in this Action or in any other proceeding for any purpose, and any judgment or order entered by the Court in accordance with the terms of this Stipulation shall be treated as vacated, *nunc pro tunc*. In the event that the Stipulation is not approved, or is terminated, cancelled, or fails to become effective, then within ten (10) business days after such non-approval, termination, cancellation or failure, the Settlement Fund less any amounts paid or incurred for Notice and Administration Costs (defined below), including any Taxes or Tax Expenses, shall be refunded directly to the Fund pursuant to written instructions from the Fund's counsel. No order of the Court or modification or reversal on appeal of any order of the Court concerning any plan of allocation or the amount of any attorneys' fee and expense award approved by the Court shall constitute grounds for cancellation or termination of the Stipulation.

4. Preliminary Court Approval, Notice to Class Members, and Settlement Hearing

4.1 As soon as practicable following execution of the Stipulation, Lead Plaintiff shall submit the Stipulation, together with its Exhibits, to the Court and shall apply for entry of a Preliminary Approval Order, substantially in the form of Exhibit A attached hereto, requesting, *inter alia*, the preliminary approval of the Settlement set forth in the Stipulation, certification of the Class solely for settlement purposes, and approval for the mailing of the Notice and the Proof of Claim and publication of the Summary Notice, substantially in the forms of Exhibits A-1, A-2, and A-3 attached hereto.

4.2 Lead Plaintiff shall request that, after the Notice and the Proof of Claim are mailed and the Summary Notice is published, the Court hold a hearing (the "Settlement Hearing") to consider and determine whether to approve the Settlement as fair, reasonable, and adequate, and whether the Final Order, substantially in the form of Exhibit B attached hereto, should be entered

approving the Settlement as set forth herein and dismissing the Action with prejudice. At or after the Settlement Hearing, Lead Counsel will also request that the Court approve the proposed Plan of Allocation and the Fee and Expense Application, as defined below.

5. Administration of the Settlement Fund

5.1 The Claims Administrator shall administer the Settlement subject to the jurisdiction of the Court. The Claims Administrator, subject to such supervision and direction of Lead Counsel and/or the Court as may be necessary or as circumstances require, shall administer the Settlement, including providing notice to the Class, administering and calculating the claims submitted by Class Members, and overseeing distribution of the Net Settlement Fund to Authorized Claimants.

5.2 Defendants, through their counsel, shall cooperate in the administration of the Settlement to the extent reasonably necessary to effectuate its terms, including providing without charge to Lead Counsel or the Claims Administrator all information from the Fund's transfer records and from the Fund's transfer agent concerning the identity of potential Class Members within five (5) business days following the execution of this Stipulation. In addition, Defendants will administer and pay for any costs or expenses incurred in connection with providing Notice pursuant to the Class Action Fairness Act ("CAFA"). Except for their obligations to pay the Settlement Amount or to cause it to be paid, to cooperate in the production of information with respect to the identification of potential Class Members from the Fund's shareholder transfer records, and to administer and pay the costs and expenses of CAFA notice, the Released Persons shall have no responsibility for the administration of the Settlement and shall have no liability to the Class or Class Members or anyone else in connection with such administration.

5.3 All reasonable costs and expenses of notice to Class Members, administration of the Settlement Fund, escrow fees, Taxes, Tax Expenses, custodial fees, and expenses incurred in

connection with processing Proofs of Claim and distributing the Settlement Fund (the “Notice and Administration Costs”) shall be paid from the Settlement Fund. Prior to the Effective Date, a sum not to exceed Two Hundred Thousand Dollars (\$200,000) from the Settlement Fund may be paid for the express purpose of paying Notice and Administration Costs without further approval of Defendants or the Court. Upon the Effective Date, Lead Counsel, without further approval of Defendants or the Court, may pay from the Settlement Fund any Notice and Administration Costs.

6. Plaintiffs’ Counsel’s Fees and Expenses

6.1 Lead Counsel will apply to the Court for an award from the Settlement Fund of attorneys’ fees and expenses in connection with prosecuting the Action plus interest on such attorneys’ fees and expenses at the same rate and for the same period as earned by the Settlement Fund (until paid) in an amount to be approved by the Court (the “Fee and Expense Application”). Defendants shall take no position with respect to the Fee and Expense Application, but if the award is less than the amount sought by Lead Counsel, this will not be a basis for setting aside the Settlement. Such attorneys’ fees and expenses, as are awarded by the Court, shall be paid from the Settlement Fund to Lead Counsel immediately upon award by the Court, notwithstanding any objection, appeal or collateral attack on the Settlement or any part thereof, subject to Plaintiffs’ Counsel’s obligation to make appropriate refunds or repayments to the Settlement Fund plus accrued interest at the same net rate as is earned by the Settlement Fund, as provided in ¶ 6.2 if and when any of the events in ¶ 6.2 occur. Lead Counsel shall allocate the attorneys’ fees amongst Plaintiffs’ Counsel in a manner that it, in good faith, believes reflects the contribution of such counsel to the prosecution and settlement of the Action. No Released Person has discussed with any of the Plaintiffs or any Plaintiffs’ Counsel the amount that Lead Counsel may seek.

6.2 In the event that the Effective Date does not occur, or the Final Order and Judgment or the order approving the Fee and Expense Application is reversed, vacated, or modified, or the Stipulation is terminated or cancelled for any reason, and in the event that any attorneys' fees, expenses, and costs have been paid to any extent, Plaintiffs' Counsel who received such fees, expenses, and costs shall, within ten (10) business days from receiving notice from Defendants' counsel or from a court of appropriate jurisdiction, have an obligation to refund to the Settlement Fund the fees, expenses, and costs previously paid to them from the Settlement Fund plus interest thereon at the same rate as earned on the Settlement Fund in an amount consistent with such reversal, vacation, or modification. Each law firm, as a condition of receiving such fees and expenses, on behalf of itself and each partner and/or shareholder of it, agrees that the law firm and its partners and/or shareholders are liable for any refund required by this ¶6.2, and are subject to the jurisdiction of the Court for purposes of enforcing the provisions of this paragraph.

6.3 The allowance or disallowance by the Court of any applications by Lead Counsel for attorneys' fees, expenses, and costs to be paid out of the Settlement Fund is not part of the Settlement set forth in this Stipulation, and is to be considered by the Court separately from the Court's consideration of the fairness, reasonableness, and adequacy of the Settlement set forth in this Stipulation. Any order or proceeding relating to the Fee and Expense Application, or any appeal from any order relating thereto or reversal, vacation, or modification thereof, shall not operate to terminate or cancel the Stipulation, or affect or delay the finality of the Final Order and Judgment approving the Stipulation and the Settlement set forth herein.

6.4 Except as set forth in ¶5.2, the Released Persons shall have no responsibility for, and no liability whatsoever with respect to, any payment of attorneys' fees and expenses to Plaintiffs' Counsel or any other attorney representing any Class Member over and above payment from the

Settlement Fund. The Released Persons shall have no responsibility for, and no liability whatsoever with respect to, the allocation among Plaintiffs' Counsel, and/or any other Person who may assert some claim to any award of attorneys' fees and expenses that the Court may make in the Action.

7. Distribution to Authorized Claimants

7.1 The Net Settlement Fund shall be distributed to Authorized Claimants substantially in accordance with the Plan of Allocation to be described in the Notice and approved by the Court. Regardless of whether the Court has issued a Final Order and Judgment or has otherwise approved the Settlement, no disbursements shall be made from the Settlement Fund for purposes of processing Class Members' claims unless and until the Delaware Court approves the settlement of the Delaware Derivative Action and that settlement becomes Final; *provided, however*, that the foregoing restriction on disbursements from the Settlement fund shall not apply to disbursements made for Notice and Administration Costs as otherwise provided in this Stipulation.

7.2 The Claims Administrator shall determine each Authorized Claimant's *pro rata* share of the Net Settlement Fund based upon each Authorized Claimant's recognized claim (as defined in the Plan of Allocation described in the Notice attached hereto as Exhibit A-1, or in such other Plan of Allocation as the Court approves).

7.3 The Plan of Allocation proposed in the Notice, including any adjustments to an Authorized Claimant's claim, is not a necessary term of this Stipulation, is not a condition for approval of the Settlement, and is to be considered separately from the Court's consideration of the Settlement's fairness, reasonableness, and adequacy. Any order or proceeding relating to the Plan of Allocation, or any appeal from any order or proceeding relating to the Plan of Allocation or reversal, vacation, or modification thereof, shall not operate to terminate or cancel the Stipulation or affect or

delay the finality of the Final Order and Judgment approving the Stipulation and the Settlement set forth herein.

7.4 Each Authorized Claimant shall be allocated a *pro rata* share of the Net Settlement Fund based on his, her or its recognized claim compared to the total recognized claims of all Authorized Claimants. Released Persons shall have no involvement in reviewing, calculating, or challenging claims. Released Persons and Released Persons' counsel take no position with respect to, and have no responsibility for, the Plan of Allocation or, if approved by the Court, its implementation.

7.5 Lead Counsel shall be responsible for supervising the administration of the Settlement and disbursement of the Net Settlement Fund by the Claims Administrator as the circumstances may require. Lead Counsel and/or the Claims Administrator shall have the right, but not the obligation, to waive what they deem to be formal or technical defects in any submitted Proofs of Claim in the interests of achieving substantial justice.

7.6 For purposes of determining the extent, if any, to which a Class Member shall be entitled to be treated as an "Authorized Claimant," the following conditions shall apply:

(a) Each Class Member shall be required to submit a Proof of Claim (substantially in the form of Exhibit A-2 attached hereto), supported by such documents as are designated therein, including proof of the Class Member's loss, or such other documents or proof as Lead Counsel and/or the Claims Administrator may deem acceptable;

(b) All Proofs of Claim must be submitted by the date specified in the Notice unless such period is extended by order of the Court. Any Class Member who fails to submit a Proof of Claim by such date shall be forever barred from receiving any payment pursuant to this Stipulation (unless, by order of the Court, a later submitted Proof of Claim by such Class Member is

approved), and shall in all other respects be bound by all of the terms of this Stipulation and the Settlement, including the terms of the Final Order and Judgment to be entered in the Action and the releases provided for herein, and will be barred from bringing any action against the Released Persons concerning the Released Claims. Notwithstanding the foregoing, Lead Counsel may instruct the Claims Administrator to accept late-filed claims if distribution of the Net Settlement Fund is not materially delayed thereby. No Person shall have any claim against Plaintiffs, Lead Counsel, Plaintiffs' Counsel, or the Claims Administrator by reason of the decision to exercise discretion whether to accept late submitted claims. A Proof of Claim shall be deemed to have been submitted when completed on-line via the case specific website or if received with a postmark indicated on the envelope and if mailed by First-Class Mail and addressed in accordance with the instructions thereon. In all other cases, the Proof of Claim shall be deemed to have been submitted when actually received by the Claims Administrator;

(c) Each Proof of Claim shall be submitted to and reviewed by the Claims Administrator, under such supervision of Lead Counsel, as may be necessary or the circumstances may require, and the Claims Administrator shall determine in accordance with this Stipulation the extent, if any, to which each claim shall be allowed, subject to review by the Court pursuant to subparagraph (e) below;

(d) Proofs of Claim that do not meet the submission requirements may be rejected. Prior to rejection of a Proof of Claim, the Claims Administrator shall communicate with the Class Member in order to remedy any curable deficiencies in the Proof of Claim submitted. The Claims Administrator, under such supervision of Lead Counsel, as may be necessary or the circumstances may require, shall notify, in a timely fashion and in writing, all Class Members whose Proofs of Claim it proposes to reject in whole or in part, setting forth the reasons therefore, and shall

indicate in such notice that the Class Member whose claim is to be rejected has the right to a review by the Court if the Class Member so desires and complies with the requirements of subparagraph (e) below; and

(e) If any Class Member whose claim has been rejected in whole or in part desires to contest such rejection, the Class Member must, within twenty (20) calendar days after the date of mailing of the notice required in subparagraph (d) above, serve upon the Claims Administrator a notice and statement of reasons indicating the Class Member's grounds for contesting the rejection, along with any supporting documentation, and requesting a review thereof by the Court. If a dispute concerning a claim cannot be otherwise resolved, Lead Counsel shall thereafter present the request for review to the Court. All claimants and Settling Parties expressly waive trial by court or jury (to the extent any such right might exist) and any right of appeal or review as to the Court's determination concerning any Proof of Claim. Any claimant pursuing a dispute shall be responsible for his, her, or its own costs, including attorneys' fees, incurred in pursuing the dispute.

7.7 Each Class Member shall be deemed to have submitted to the jurisdiction of the Court with respect to the Class Member's claim, and the claim will be subject to investigation and discovery under the Federal Rules of Civil Procedure, provided that such investigation and discovery shall be limited to that Class Member's status as a Class Member and the validity and amount of the Class Member's claim. No other discovery shall be allowed in connection with processing of the Proofs of Claim.

7.8 Payment of claims pursuant to this Stipulation shall be deemed final and conclusive against all Class Members. All Class Members whose claims are not approved by the Court shall be barred from participating in distributions from the Net Settlement Fund, but otherwise shall be bound by all of the terms of this Stipulation and the Settlement, including the terms of the Final Order and

Judgment to be entered in the Action and the releases provided for herein, and will be barred from bringing any action against the Released Persons concerning the Released Claims.

7.9 All proceedings with respect to the administration, processing, and determination of claims described by §§7.1-7.14 and the determination of all controversies relating thereto, including disputed questions of law and fact with respect to the validity of claims, shall be subject to the jurisdiction of the Court.

7.10 The Net Settlement Fund shall be distributed to Authorized Claimants by the Claims Administrator only after the Effective Date and after: (i) all timely and valid claims have been processed, and all Class Members whose claims have been rejected or disallowed, in whole or in part, have been notified and provided the opportunity to be heard concerning such rejection or disallowance; and (ii) all objections with respect to all rejected or disallowed claims have been resolved by the Court, and all appeals therefrom have been resolved or the time therefore has expired.

7.11 If any funds remain in the Net Settlement Fund by reason of uncashed checks, or otherwise, after the Claims Administrator has made reasonable and diligent efforts to have Authorized Claimants who are entitled to participate in the distribution of the Net Settlement Fund cash their distribution checks, then any balance remaining in the Net Settlement Fund six (6) months after the initial distribution of such funds shall be used: (a) first, to pay any additional settlement administration fees and expenses; (b) second, to pay any amounts mistakenly omitted from the initial distribution to Authorized Claimants or to pay any late, but otherwise valid and fully documented claims received after the cut-off date used to make the initial distribution, provided that such distributions to any late post-distribution claimants meet all of the other criteria for inclusion in the initial distribution; and (c) to make a second distribution to Authorized Claimants who cashed their

checks from the initial distribution, after payment of the estimated costs or fees to be incurred in administering the Net Settlement Fund and in making this second distribution, if such second distribution is economically feasible. These redistributions will be repeated until the balance remaining in the Net Settlement Fund is no longer economically feasible to distribute to Class Members. Thereafter, any funds that remain in the Net Settlement Fund shall be contributed to an Internal Revenue Code Section 501(c)(3) charity designated by Lead Counsel and unaffiliated with Defendants, Lead Plaintiff, or Lead Counsel.

7.12 This is not a claims-made settlement, and, if all the conditions of the Stipulation are satisfied and the Effective Date occurs, no portion of the Settlement Fund will be returned to such Persons that paid the Settlement Amount.

7.13 The Released Persons shall have no responsibility for, interest in, or liability whatsoever with respect to the investment or distribution of the Net Settlement Fund, the Plan of Allocation, the determination, administration, or calculation of claims, the payment or withholding of Taxes, or any losses incurred in connection therewith.

7.14 No Person shall have any claim against Lead Plaintiff, Plaintiffs' Counsel, the Released Persons, or their respective counsel based on the administration of the Settlement, including, without limitation, the processing of claims and distributions made in accordance with this Stipulation and the Settlement contained herein, the Plan of Allocation or further order(s) of the Court.

8. Terms of the Final Order and Judgment

8.1 If the Settlement contemplated by this Stipulation is approved by the Court, Lead Counsel shall request that the Court enter the Final Order and Judgment, substantially in the forms

attached hereto as Exhibits B and C, respectively. The Final Order will include a PSLRA bar order, a complete bar order and a permanent injunction.

9. Termination of Settlement and Supplemental Agreement

9.1 Simultaneously herewith, Lead Plaintiff and Defendants are executing a confidential “Supplemental Agreement” setting forth certain conditions under which this Stipulation may be withdrawn or terminated at the sole discretion of Defendants if potential Class Members who meet certain criteria exclude themselves from the Class. Pursuant to the Supplemental Agreement, Defendants have the option (which must be exercised unanimously) to terminate the Settlement in the event that an aggregate number of shares of the Fund purchased during the Class Period by Class Members who would otherwise be entitled to participate as members of the Class, but who timely and validly request exclusion, equals or exceeds the specified percentage of the total number of shares issued by the Fund purchased during the Class Period, or the specified percentage of the alleged damages claimed by the Class, as set forth in the Supplemental Agreement.

9.2 The Supplemental Agreement shall not be filed with the Court unless and until the Court asks the Settling Parties to do so or a dispute arises between Lead Plaintiff and Defendants concerning its interpretation or application. In either of those events, the Settling Parties will use their best reasonable efforts to submit the Supplemental Agreement to the Court for its *in camera* review or file the Supplemental Agreement under seal. In the event of an objection to the Settlement based upon the confidentiality of the percentages stated in the Supplemental Agreement, and notwithstanding anything to the contrary in this Paragraph or the Supplemental Agreement, Lead Plaintiff and Defendants (by a unanimous determination) each shall have the option to waive confidentiality, upon three (3) business days notice communicated by facsimile or e-mail addressed to Lead Counsel or Defendants’ counsel, as appropriate.

9.3 In the event that Defendants elect to terminate the Stipulation in accordance with ¶9.1 and such withdrawal is not nullified in accordance with the terms of the Supplemental Agreement, the Stipulation shall be withdrawn and terminated and deemed null and void, and the provisions of ¶3.8 shall apply.

10. Effective Date of Settlement, Waiver, or Termination

10.1 The Effective Date of the Settlement shall be one business day following the latest of the following events:

(a) entry by the Court of the Preliminary Approval Order in all material respects in the form attached hereto as Exhibit A;

(b) payment of the Settlement Amount to the escrow account;

(c) expiration of the time for Defendants to exercise their option to terminate the Stipulation in accordance with the terms of the Supplemental Agreement described in ¶9.1, without the exercise of that option;

(d) entry by the Court of a Final Order and Judgment, in all material respects in the forms set forth in Exhibits B and C hereto;

(e) expiration of the time for Defendants or Plaintiffs to exercise their right to terminate the Stipulation pursuant to ¶10.4;

(f) the Final Order and Judgment become Final; and

(g) entry by the Delaware Court of an order approving the settlement of the Delaware Derivative Action, and such approval becomes Final.

10.2 If all the conditions specified above in ¶10.1 are not met, then this Stipulation shall be cancelled and terminated unless Plaintiffs and Defendants, by and through their counsel, agree in writing to proceed with this Stipulation.

10.3 Upon the occurrence of all of the events referenced in ¶ 10.1, any and all remaining interest or right of Defendants in or to the Settlement Fund, if any, shall be extinguished.

10.4 Each Defendant or Plaintiff shall have the right to terminate the Settlement and this Stipulation by providing written notice of its, his, or her election to do so (“Termination Notice”), through counsel, to all other Settling Parties within thirty (30) calendar days after: (a) the Court’s refusal to enter the Preliminary Approval Order, substantially in the form attached here as Exhibit A in any material respect; (b) the Court’s refusal to issue an order approving this Stipulation or any material part of it; (c) the Court’s refusal to enter the Final Order and Judgment without material alteration or, in the event of material alteration, without each Party’s consent to such alteration in writing in its, his or, her sole discretion; (d) the date upon which an order vacating, modifying, revising or reversing the Final Order and Judgment becomes Final; or (e) the refusal of the Delaware Court to issue an order approving the settlement of the Delaware Derivative Action, or the failure of the settlement of the Delaware Derivative Action to become Final. Lead Counsel, on behalf of Plaintiffs, shall also have the right to terminate the Settlement thirty (30) calendar days after Defendants’ failure to timely pay the Settlement Amount.

10.5 In the event that the Settlement is terminated or fails to become effective in accordance with its terms for any reason, then the terms of ¶3.8 shall apply.

11. The Releases

11.1 Upon the Effective Date, the following persons (the “Released Persons”), whether or not each or all of the following Persons were named, served with process, or appeared in the Action, will be fully and finally released and discharged with respect to the Released Plaintiffs’ Claims (as defined below): (a) Defendants and the Fund; (b) for each and all of the Persons identified in the foregoing clause of this ¶11.1, any and all of their respective past or present trusts, foundations,

investors, insurers, reinsurers, partnerships, general or limited partners or partnerships, joint ventures, member firms, limited-liability companies, corporations, parents, controlling persons, subsidiaries, divisions, direct or indirect affiliates, associated entities, stockholders, members, managing members, managing agents, financial or investment advisors, advisors, consultants, investment bankers, entities providing any fairness opinion, underwriters, brokers, dealers, lenders, commercial bankers, attorneys in fact, counsel, accountants and associates that are not natural persons; (c) for each and all of the Persons identified in the foregoing clauses of this ¶11.1 that are not natural persons, any and all of their respective past or present trustees, agents, employees, fiduciaries, partners, controlling persons, principals, officers, managers, directors, managing directors, members, managing members, managing agents, financial or investment advisors, advisors, consultants, brokers, dealers, lenders, attorneys in fact, counsel, accountants, and associates who are natural persons; (d) for each and all of the Persons identified in the foregoing clauses of this ¶11.1 that are not natural persons, their respective successors and assigns; and (e) for each and all of the Persons identified in the foregoing clauses of this ¶11.1 who are natural persons, any and all of their past or present family members or spouses, and the heirs, executors, estates, administrators, personal or legal representatives, assigns, beneficiaries, and distributees of any of the foregoing.

11.2 Upon the Effective Date, the following claims (the “Released Plaintiffs’ Claims”) will be released with respect to the Released Persons: all actions, claims, debts, demands, causes of action and rights and liabilities whatsoever (including, but not limited to, any claims for damages, interest, attorneys’ fees, expert, or consulting fees and any other costs, expenses, or liability whatsoever), against Defendants and the Released Persons, belonging to Plaintiffs and/or any or all Class Members or any Person acting on their behalf, including their present or past heirs, executors, estates, administrators, predecessors, successors, assigns, parents, subsidiaries, associates, affiliates,

employers, employees, agents, insurers, reinsurers, directors, managing directors, officers, partners, principals, members, managing members, attorneys, financial and other advisors, investment bankers, underwriters, lenders, and any other representatives of any of these persons and entities (the “Releasing Plaintiffs”), whether direct, derivative, representative or in any other capacity, arising under federal, state, local or foreign, statutory or common law or any other law, rule or regulation, concerning both known claims and Unknown Claims, that: (a) have been asserted in the Action (including all claims alleged in any complaint filed in the Action or in any action consolidated into it) against any of the Released Persons; or (b) could have been or could be asserted in any forum by or on behalf of the Class Members or any of them against any of the Released Persons, if such claims or Unknown Claims (i) relate to the allegations, transactions, facts, matters, breaches, occurrences, financial statements, statements, representations or omissions involved, set forth, or referred to in the Action and (ii) relate to the purchase of Fund shares during the Class Period (including any decision to hold or retain such Fund shares).

11.3 Upon the Effective Date, the following claims (the “Released Defendants’ Claims”) will be released with respect to Plaintiffs, Lead Counsel, any other counsel for Plaintiffs in the Action, and all members of the Class and their counsel: any and all actions, claims, debts, demands, causes of action and rights and liabilities whatsoever (including, but not limited to, any claims for damages, interest, attorneys’ fees, expert or consulting fees, and any other costs, expenses, or liability whatsoever), whether based on federal, state, local, or foreign statutory, or common law or any other law, rule, or regulation, concerning both known claims and Unknown Claims, that have been or could have been asserted in the Action or any forum by Defendants, or the heirs, successors, and assigns of any of them against Plaintiffs, Lead Counsel, any of the Class Members or their attorneys, arising out of or relating to the institution, prosecution, or settlement of the Action.

11.4 Notwithstanding anything to the contrary above, the Released Claims do not include claims (a) to enforce the Final Order and Judgment and the Settlement, and any or all of their terms, including, but not limited to, the releases provided for in the Final Order and Judgment, (b) for breach or violation of any of the terms of this Stipulation or the orders or judgments issued by the Court in connection with the Settlement, (c) any claims in the Delaware Derivative Action, or (d) belonging to Defendants against their insurers or any other person not a party hereto. Lead Plaintiff and Plaintiffs' Counsel will take no position regarding indemnification payments or insurance among Defendants, and the Settlement is not contingent upon the receipt of such indemnification agreements.

11.5 Notwithstanding anything in the complete bar order or anything else in the Stipulation, nothing shall release, interfere with, limit, or bar the assertion by any Released Person of (a) any claim or right for insurance coverage under any insurance, reinsurance, or indemnity policy, (b) any statutory, by-law, trust instrument, or contractual right or claim to indemnification or advancement as against any other Released Person, or (c) any statutory, by-law, trust instrument, common-law, or contractual right or claim as against any other Released Person concerning matters other than indemnification, contribution, or advancement.

12. No Admission of Wrongdoing

12.1 Whether or not the Settlement is approved by the Court, and whether or not the Settlement is consummated, the fact and terms of this Stipulation, including Exhibits, all negotiations, discussions, drafts, and proceedings in connection with the Settlement, and any act performed or document signed in connection with the Settlement, shall not, in this or any other court, administrative agency, arbitration forum, or other tribunal, constitute an admission of, or evidence of, or be deemed to create any inference of, (a) any acts of wrongdoing or lack of wrongdoing; (b)

any liability on the part of any of Released Persons to Plaintiffs, the Class, or anyone else; (c) any damages, or lack of damages, suffered by Plaintiffs, the Class, or anyone else; or (d) that the Settlement Amount (or any other amount) represents the amount that could or would have been recovered from Defendants in the Action if the Action was not settled at this point in time.

12.2 The fact and terms of this Stipulation, including Exhibits, all negotiations, discussions, drafts, and proceedings in connection with the Settlement, and any act performed or document signed in connection with the Settlement, shall not be offered or received in evidence or used for any other purpose in this or any other proceeding in any court, administrative agency, arbitration forum, or other tribunal, except as necessary to enforce the terms of the Settlement, including, but not limited to, the Preliminary Approval Order, the Notice, the Final Order and Judgment, and the releases provided for in the Final Order and Judgment. Defendants and any Released Persons may file the Stipulation, the Preliminary Approval Order, the Notice, the Final Order, and the Judgment in any other action or proceeding that may be brought against them in any forum in order to support a defense or counterclaim based on principles of *res judicata*, collateral estoppel, release and discharge, good faith settlement, judgment bar or reduction, or any theory of claim preclusion or issue preclusion or similar defense or counterclaim. Plaintiffs understand, acknowledge, and agree that Defendants have denied and continue to deny all claims of wrongdoing, liability, and damages alleged in the Action.

13. Miscellaneous Provisions

13.1 All of the Exhibits attached to this Stipulation are material and integral parts hereof, and are hereby incorporated by reference as though fully set forth herein.

13.2 The Settling Parties: (a) acknowledge that it is their intent to consummate this Settlement; (b) agree to cooperate to the extent reasonably necessary to effectuate and implement all

terms and conditions of this Stipulation; and (c) agree to exercise their good-faith efforts to accomplish the foregoing terms and conditions of this Stipulation (except that none of the Released Persons needs to make any payment to the Class Members in addition to the Settlement Amount).

13.3 The Settling Parties agree that the Settlement Amount and the other terms of the Settlement were negotiated at arm's length in good faith by the Settling Parties, and reflect a Settlement that was reached voluntarily after consultation with experienced legal counsel. Lead Plaintiff, on behalf of itself and the Class, and Defendants, agree not to assert in any forum that the Action was brought or defended in bad faith or without a reasonable basis. The Settling Parties shall assert no claims of any violation of Rule 11 of the Federal Rules of Civil Procedure relating to the prosecution, defense, or settlement of the Action, and the Final Order shall contain a provision that during the course of the Action, the Settling Parties and their respective counsel at all times hereto complied with and satisfied the requirements of Rule 11.

13.4 All agreements made and orders entered during the course of this Action relating to the confidentiality of documents and information shall survive this Stipulation pursuant to their terms.

13.5 This Stipulation may not be amended, changed, waived, discharged, or terminated (except as explicitly provided herein), in whole or in part, except by an instrument in writing signed by the Settling Parties to this Stipulation. The waiver by one Settling Party of any breach of this Stipulation by any other Settling Party shall not be deemed a waiver of any other prior or subsequent breach of this Stipulation.

13.6 The headings and captions in this Stipulation are used for the purpose of convenience only and are not meant to have any legal effect on the meaning or interpretation of this Stipulation or any of its terms or provisions.

13.7 The administration and consummation of the Settlement as embodied in this Stipulation shall be under the authority of the Court and the Court shall retain continuing and exclusive jurisdiction with respect to the implementation and enforcement of the terms of this Stipulation and for the purpose of entering orders providing for awards of attorneys' fees and expenses to Plaintiffs' Counsel.

13.8 This Stipulation, the Exhibits attached hereto, and the Supplemental Agreement constitute the entire agreement among the Settling Parties concerning the Settlement of the Action, and no representations, warranties, or inducements have been made by any Settling Party concerning this Stipulation and its Exhibits and the Supplemental Agreement other than those contained and memorialized in such documents. Except as provided herein, each Settling Party shall bear its own costs.

13.9 This Stipulation may be executed in one or more counterparts. All executed counterparts and each of them shall be deemed to be one and the same instrument.

13.10 This Stipulation shall be binding upon, and inure to the benefit of, the heirs, successors, and assigns of the Settling Parties.

13.11 The construction, interpretation, operation, effect, and validity of this Stipulation, and all documents necessary to effectuate it, shall be governed by the laws of New York without regard to any choice-of-law principle, except to the extent that federal law requires that federal law governs.

13.12 This Stipulation shall not be construed more strictly against one party than another merely by virtue of the fact that it, or any part of it, may have been prepared by counsel for one of the Settling Parties, it being recognized that it is the result of arm's-length negotiations between the Settling Parties and that all Settling Parties have contributed substantially and materially to the preparation of this Stipulation.

13.13 All counsel and any other Person executing this Stipulation and any of the Exhibits hereto, or any related settlement documents, warrant and represent that they have the full authority to do so and that they have the authority to take appropriate action required or permitted to be taken pursuant to the Stipulation to effectuate its terms.

13.14 Lead Counsel and Defendants' counsel agree to cooperate fully with one another in seeking Court approval of the Preliminary Approval Order, the Stipulation, and the Settlement, and to agree upon and execute all such other documentation promptly as may be reasonably required to obtain Final approval by the Court of the Settlement to the extent consistent with the terms of the Stipulation.

13.15 The Settling Parties reserve the right, subject to the Court's approval, to make any reasonable extensions of time that might be necessary to carry out any of the provisions of this Stipulation without further notice to the Class.

13.16 The Settling Parties agree that once public disclosure is made by Defendants, other than disclosures Defendants and Lead Plaintiff have been advised are required by law or this Stipulation, including notice to the Class, all papers necessary to seek preliminary and final approval of the Settlement, approval of the Plan of Allocation and the Fee and Expense Application, any press releases or other statements that might become available to the public by any of the Settling Parties regarding the Action or the Settlement will not substantially deviate from words to the effect that the Settling Parties have reached a mutually acceptable resolution by way of a mediated settlement and that the Settling Parties are satisfied with this resolution.

13.17 Whenever this Stipulation requires or contemplates that a Settling Party shall or may give notice to any other Settling Party, notice shall be provided by facsimile, e-mail, and/or next-day (excluding Saturday, Sunday, and legal holidays) express-delivery service as follows and shall be

deemed effective upon such facsimile or e-mail transmission or delivery to the facsimile number, e-mail address, or street address, as the case may be, below:

If to Defendants Third Avenue Trust, William E. Chapman, II, Lucinda Franks, Edward J. Kaier, Eric P. Rakowski, Martin Shubik, Charles C. Walden, and Patrick Reinkemeyer, then to:

Robert A. Skinner
Amy D. Roy
ROPES & GRAY LLP
Prudential Tower
800 Boylston Street
Boston, MA 02199
Tel: (617) 951-7560
Fax: (617) 951-7050
robert.skinner@ropesgray.com
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Lee S. Gayer
1211 Avenue of the Americas
New York, NY 10036
Tel: (212) 841-0626
Fax: (212) 596-9090
lee.gayer@ropesgray.com

If to Defendants M.J. Whitman LLC, Third Avenue Management, LLC Vincent J. Dugan, and Affiliated Managers Group, Inc., then to:

John P. Coffey
Jonathan M. Wagner
Samantha V. Ettari
KRAMER LEVIN NAFTALIS & FRANKEL LLP
1177 Avenue of the Americas,
NEW YORK, NY 10036
TEL: (212) 715-9393
Fax: (212) 715-8000
scoffey@kramerlevin.com
jwagner@kramerlevin.com
settari@kramerlevin.com

If to Defendant Martin J. Whitman, then to:

Arnold S. Jacobs
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If to Defendant David M. Barse, then to:

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Robert C. Hora
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sedelman@milbank.com
rhora@milbank.com
rfissell@milbank.com

If to Plaintiffs, then to:

Samuel H. Rudman
Evan J. Kaufman
ROBBINS GELLER RUDMAN
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Fax: 631/367-1173
srudman@rgrdlaw.com
ekaufman@rgrdlaw.com

13.18 All Released Persons who are not Defendants or Plaintiffs are intended third-party beneficiaries who are entitled to only enforce the terms of the release provisions set forth in this Stipulation, but the consent of such third-party beneficiaries shall not be required to amend, modify, or terminate this Stipulation.

IN WITNESS WHEREOF, the Settling Parties hereto have caused the Stipulation to be executed, by their duly authorized attorneys, dated March 31, 2017.

ROBBINS GELLER RUDMAN
& DOWD LLP
SAMUEL H. RUDMAN
EVAN J. KAUFMAN
ANDREW L. SCHWARTZ

s/ Evan J. Kaufman

EVAN J. KAUFMAN

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Lead Counsel for Plaintiffs

SACHS WALDMAN, P.C.
JOSEPH PAWLICK

s/ Joseph Pawlick

JOSEPH PAWLICK

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Telephone: 248/658-0800
248/658-0801 (fax)

Additional Counsel for Lead Plaintiff

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AMY D. ROY

s/ Robert A. Skinner

ROBERT A. SKINNER

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J. Kaier, Eric P. Rakowski, Martin Shubik, Charles
C. Walden, and Patrick Reinkemeyer

KRAMER LEVIN NAFTALIS &
FRANKEL LLP
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s/ Arnold S. Jacobs

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s/ Scott A. Edelman

SCOTT A. EDELMAN

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New York, NY 10005-1413
Telephone: 212/530-5000
212/530-5219 (fax)

Attorneys for Defendant David M. Barse

CERTIFICATE OF SERVICE

I, Evan J. Kaufman, hereby certify that on March 31, 2017, I caused a true and correct copy of the attached:

Stipulation of Settlement

to be electronically filed with the Clerk of the Court using the CM/ECF system, which will send notification of such public filings to all counsel registered to receive such notice.

s/ Evan J. Kaufman

EVAN J. KAUFMAN

EXHIBIT A

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

	X	
In re THIRD AVENUE MANAGEMENT LLC SECURITIES LITIGATION	:	Civil Action No. 1:16-cv-02758-PKC
	:	
	:	<u>CLASS ACTION</u>
	:	
This Document Relates To:	:	[PROPOSED] ORDER PRELIMINARILY
	:	APPROVING SETTLEMENT AND
ALL ACTIONS.	:	PROVIDING FOR NOTICE
	:	
	X	EXHIBIT A

WHEREAS, on March 31, 2017, the parties to the above-entitled action (the “Action”), Lead Plaintiff IBEW Local No. 58 Sound & Communication Division Retirement Plan (“IBEW 58”) and plaintiff Anthony Dallacasa (“Plaintiff”) (together, “Plaintiffs”) and defendants William E. Chapman, II, Lucinda Franks, Edward J. Kaier, Patrick Reinkemeyer, Eric P. Rakowski, Martin Shubik, Charles C. Walden, Martin J. Whitman, David M. Barse, Vincent J. Dugan, Jack W. Aber, Marvin Moser, Third Avenue Trust (the “Trust”), Third Avenue Management LLC (the “Advisor”), Affiliated Managers Group, Inc. (“AMG”), M.J. Whitman LLC (“MJW”) (collectively, the “Defendants” and together with Plaintiffs, the “Settling Parties”), by and through their respective counsel and, as applicable, their respective authorized representatives entered into the Stipulation of Settlement dated March 31, 2017 (the “Stipulation”), which is subject to review under Rule 23 of the Federal Rules of Civil Procedure and the Private Securities Litigation Reform Act of 1995 (the “PSLRA”), and which, together with the exhibits thereto, sets forth the terms and conditions for the proposed Settlement of the claims alleged in the Action with prejudice;

WHEREAS, the Court having read and considered the Stipulation and the accompanying documents;

WHEREAS, the Settling Parties to the Stipulation having consented to the entry of this order;

WHEREAS, unless otherwise specified all capitalized terms used, but not otherwise defined, herein having the meanings defined in the Stipulation;¹

NOW THEREFORE, IT IS HEREBY ORDERED, this ____ day of _____, 2017, that:

¹ The exhibits attached to the Stipulation filed with the Court are incorporated herein as though set forth in this order.

1. The Court hereby preliminarily approves the Stipulation and the Settlement set forth therein as being fair, reasonable and adequate to Class Members (defined in ¶2 below), subject to further consideration at the Settlement Hearing described in ¶5 below.

2. Pursuant to Rules 23(a) and (b)(3) of the Federal Rules of Civil Procedure, and for the purposes of the Settlement only, the Action is hereby certified as a class action on behalf of all Persons who purchased shares of the Fund during the period from March 1, 2013 through December 10, 2015. Excluded from the Class are Defendants, employees, officers and directors of the Defendant entities, members of the immediate families of each of the Individual Defendants, the estates of the deceased Individual Defendants, any Person in which any Defendant has a controlling interest, and, as to such excluded Person, the legal and personal representatives, agents, heirs, successors, or assigns of any such excluded Person. Also excluded from the Class are any Class Members who timely and validly exclude themselves from the Class in accordance with the requirements set forth in the Notice.

3. The Court finds, for the purposes of the Settlement only, that the prerequisites for a class action under Rules 23(a) and (b)(3) of the Federal Rules of Civil Procedure have been satisfied in that: (a) the number of Class Members is so numerous that joinder of all members is impracticable; (b) Plaintiffs have alleged one or more questions of law and fact that are common to the Class; (c) based on Plaintiffs' allegations that Defendants engaged in uniform conduct affecting all Class Members, Plaintiffs' claims are typical of those of the other members of the Class they seek to represent; (d) the Plaintiffs and Lead Counsel are capable of fairly and adequately representing the interests of the Class, in that Plaintiffs' interests are consistent with those of the other Class Members, Lead Counsel is able and qualified to represent the Class, and Plaintiffs and Lead Counsel have fairly and adequately represented the Class Members in prosecuting this Action and in

negotiating and entering into the proposed Settlement; (e) the questions of law and fact common to the members of the Class predominate over any questions affecting only individual Class Members; and (f) a class action is superior to other available methods for the fair and efficient adjudication of the controversy.

4. Pursuant to Rule 23 of the Federal Rules of Civil Procedure, and for the purposes of the Settlement only, Plaintiffs are certified as class representatives.

5. A final settlement hearing (the “Settlement Hearing”) pursuant to Rule 23(e) of the Federal Rules of Civil Procedure is hereby scheduled to be held before the Court on _____, _____, at ____:____, __.m. for the following purposes:

(a) to determine whether the proposed Settlement is fair, reasonable and adequate to Class Members, and should be approved by the Court;

(b) to determine whether the Order Approving Class Action Settlement (“Final Order”) as provided under the Stipulation should be entered;

(c) to determine whether the proposed Plan of Allocation of the proceeds of the Settlement is fair, reasonable and adequate, and should be approved by the Court;

(d) to consider Lead Counsel’s motion for an award of attorneys’ fees and expenses; and

(e) to rule upon such other matters as the Court may deem appropriate.

6. The Court may adjourn the Settlement Hearing without further notice to members of the Class of any kind.

7. The Court reserves the right to approve the Settlement with or without modification as may be agreed to by the Settling Parties and with or without further notice to the Class of any

kind. The Court further reserves the right to enter the Final Order and Judgment regardless of whether it has approved the Plan of Allocation or awarded attorneys' fees and expenses.

8. The Court approves the form, substance and requirements of: the Notice of Pendency and Proposed Settlement of Class Action (the "Notice"), the Proof of Claim form, and the Summary Notice, annexed to the Stipulation as Exhibits A-1, A-2 and A-3, respectively, and finds that the form, content, and mailing and distribution of the Notice and publishing of the Summary Notice substantially in the manner and form set forth in §§10 and 13 of this order meet the requirements of Rule 23 of the Federal Rules of Civil Procedure, Section 27 of the Securities Act of 1933, as amended, 15 U.S.C. §77z-1(a)(7), including the PSLRA, and due process, and are the best notice practicable under the circumstances and shall constitute due and sufficient notice to all persons and entities entitled thereto.

9. The Court approves the appointment of Gilardi & Co. LLC ("Gilardi") as the Claims Administrator.

10. Within fourteen (14) calendar days after the entry of this order (the "Notice Date"), the Claims Administrator shall cause the Notice and the Proof of Claim, substantially in the forms annexed to the Stipulation as Exhibits A-1 and A-2, to be mailed by first-class mail, postage prepaid, to all Class Members who can be identified with reasonable effort. Within five (5) business days following the execution of the Stipulation, Defendants will use reasonable efforts to provide or cause the Fund's transfer agent to provide to the Claims Administrator, at no cost to the Class or Lead Counsel or the Claims Administrator, the last-known names and addresses of all shareholders of record during the Class Period. Such information shall be provided in a format acceptable to the Claims Administrator. The Claims Administrator shall use reasonable efforts to give notice to nominee purchasers such as brokerage firms and other persons or entities who purchased Fund

shares during the Class Period as record owners but not as beneficial owners. Such nominee purchasers are directed, within ten (10) calendar days after their receipt of the Notice, to either forward copies of the Notice and Proof of Claim to their beneficial owners or to provide the Claims Administrator with lists of the names and addresses of the beneficial owners, and the Claims Administrator is ordered to send the Notice and Proof of Claim promptly to such identified beneficial owners. Additional copies of the Notice shall be made available to any record holder requesting such materials for the purpose of distribution to beneficial owners, and such record holders shall be reimbursed from the Settlement Fund, upon receipt by the Claims Administrator of proper documentation, for the reasonable expense of sending the Notice and Proof of Claim to beneficial owners. Lead Counsel shall, at least seven (7) calendar days prior to the Settlement Hearing, file with the Court proof of mailing of the Notice and Proof of Claim. Notice will also be provided by the Fund (at its own expense) to U.S. federal and state officials if and to the extent required by the Class Action Fairness Act of 2005 (“CAFA”).

11. The Escrow Agent or its designees are authorized and directed to prepare any tax returns required to be filed on behalf of or in respect of the Settlement Fund and to cause any Taxes and Tax Expenses due and owing to be paid from the Settlement Fund, and to otherwise perform all obligations with respect to Taxes and any reporting or filings in respect thereof as contemplated by the Stipulation without further order of the Court.

12. Lead Counsel shall submit their papers in support of final approval of the Settlement, Plan of Allocation and motion for an award of attorneys’ fees and expenses by no later than _____, 2017 [fourteen (14) calendar days prior to the deadline for objections set forth in ¶17]. All reply papers in support of such motions shall be filed and served by no later than seven (7) calendar days before the Settlement Hearing.

13. The Claims Administrator shall cause the Summary Notice to be published once in *The Wall Street Journal* and once over the *Business Wire* or *PR Newswire* within fourteen (14) calendar days after the Notice Date. Lead Counsel shall, at least seven (7) calendar days prior to the Settlement Hearing, file with the Court proof of the publication of the Summary Notice.

14. Any person falling within the definition of the Class who desires to request exclusion from the Class shall do so within the time set forth and in the manner described in the Notice. Unless the Court orders otherwise, no request for exclusion shall be valid unless it is made within the time set forth and in the manner described in the Notice.

15. All Class Members shall be bound by all determinations and judgments in the Action concerning the Settlement, including, but not limited to, the release provided for therein, whether favorable or unfavorable to the Class.

16. Class Members who wish to participate in the Settlement shall complete and submit Proofs of Claim in accordance with the instructions contained therein. Unless the Court orders otherwise, all Proofs of Claim must be submitted no later than ninety (90) days from the Notice Date. Any Class Member who does not timely submit a Proof of Claim within the time provided for shall be barred from sharing in the distribution of the proceeds of the Net Settlement Fund, unless otherwise ordered by the Court. Notwithstanding the foregoing, Lead Counsel may, in their discretion, accept late claims for processing so long as the distribution of the Net Settlement Fund to Authorized Claimants is not materially delayed thereby. No Person shall have any claim against Plaintiffs, Lead Counsel, Plaintiffs' Counsel or the Claims Administrator by reason of the decision to exercise such discretion whether to accept late-submitted claims.

17. Objections to the Settlement, the Plan of Allocation, or the application by Lead Counsel for an award of attorneys' fees and expenses, and any supporting papers shall be filed with

the Court at 500 Pearl Street, New York, NY 10007, on or before _____, and also delivered by hand or first-class mail to Jeffrey D. Light, Robbins Geller Rudman & Dowd LLP, 655 West Broadway, Suite 1900, San Diego, CA 92101 and Robert A. Skinner, Ropes & Gray LLP, Prudential Tower, 800 Boylston Street, Boston, MA 02199, by that same date. Each objection must include the name and docket number of this case (as set out at the top of this order) and must also include the following information about the Class Member: (i) name, (ii) address, (iii) telephone number, (iv) e-mail address, if available, (v) evidence of the number of shares of Fund stock purchased during the Class Period, (vi) an explanation of the objections asserted, including any legal support that the Class Member wishes to bring to the Court's attention, and (vii) any evidence that the Class Member wishes to introduce in support of such objection. Attendance at the Settlement Hearing is not necessary. The Court will still consider any timely written objection regardless of whether the objector appears at the Settlement Hearing. However, any persons wishing to be heard orally in opposition to the approval of the Settlement, the Plan of Allocation, and/or the request by Lead Counsel for attorneys' fees and expenses are required to indicate in their written objection their intention to appear at the Settlement Hearing and to include in their written objections the identity of any witnesses they may call to testify and copies of any exhibits they intend to introduce into evidence at the Settlement Hearing. Class Members do not need to appear at the hearing or take any other action to indicate their approval.

18. Any Class Member who does not object to the Settlement and/or the Plan of Allocation, and any Class Member who does not object to Lead Counsel's motion for an award of attorneys' fees and expenses in the manner prescribed in the Notice shall be deemed to have waived such objection and shall forever be foreclosed from making any objection to the fairness, adequacy or reasonableness of the Settlement, the Final Order and Judgment to be entered approving the

Settlement, the Plan of Allocation, and the motion by Lead Counsel for an award of attorneys' fees and expenses unless the Court orders otherwise.

19. Class Members may enter an appearance in the Action, at their own expense, individually or through counsel of their own choice. If they do not enter an appearance, they will be represented by Lead Counsel.

20. If a Class Member hires an attorney (at his, her, or its own expense) to represent him, her, or it for purposes of objecting, such attorney must serve a notice of appearance on Lead Counsel and Defendants' Counsel and file it with the Court (at the addresses set out above) so that it is received no later than the date set for objections. In addition, any such Class Member or his, her, or its attorney intending to appear at the Settlement Hearing must file and serve a notice of intention to appear as set forth in the Notice. Such notice of intention to appear must be received by Lead Counsel, Defendants' Counsel, and the Court, at the addresses set forth above, by no later than the date set for objections. Any Class Member (or attorney) who does not timely file and serve a notice of intention to appear in accordance with this paragraph shall not be permitted to appear at the Settlement Hearing, unless otherwise ordered by the Court.

21. All proceedings in the Action are stayed until further order of this Court, except as may be necessary to implement the Settlement or comply with the terms of the Stipulation.

22. Pending final determination of whether the proposed Settlement should be approved, Plaintiffs and all other Class Members who have not validly and timely requested exclusion from the Class – and anyone acting on their behalf – are preliminarily enjoined from filing, commencing, prosecuting, intervening in, participating in any action or in any jurisdiction or forum, asserting any of the Released Plaintiffs' Claims.

23. The passage of title and ownership of the Settlement Fund to the Escrow Agent in accordance with the terms and obligations of the Stipulation is approved. No person who is not a Class Member or Lead Counsel shall have any right to any portion of, or in the distribution of, the Settlement Fund unless otherwise ordered by the Court or otherwise provided in the Stipulation.

24. All funds held by the Escrow Agent shall remain subject to the jurisdiction of the Court until such time as such funds shall be distributed pursuant to the Plan of Allocation and/or further orders of the Court. Such funds shall be considered a Qualified Settlement Fund *in custodia legis* of the Court, in accordance with Treas. Reg. §§1.468B-0 through 1.468B-5.

25. All Notice and Administration Costs shall be paid as set forth in the Stipulation. In the event the Settlement is not approved by the Court, or otherwise fails to become effective, neither Plaintiffs, nor any of their counsel, including Lead Counsel shall have any obligation to repay any amounts incurred or properly disbursed pursuant to ¶5.3 of the Stipulation.

26. If for any reason the Stipulation is not approved, or is terminated, cancelled or fails to become effective for any reason, then, in such event, the terms of ¶3.8 of the Stipulation shall apply, and this order certifying the Class for purposes of the Settlement shall be null and void, of no further force or effect, and without prejudice to any party, and may not be introduced as evidence or referred to in any actions or proceedings by any person or entity, and each party shall be restored to his, her or its respective position in this Action as of the date of the execution of the Stipulation.

27. Without further order of the Court, the Settling Parties may agree to reasonable extensions of time to carry out any of the provisions of this order or the Stipulation.

28. The Court retains jurisdiction over the Action to consider all further matters arising out of or connected with the Settlement or the litigation.

DATED: _____

THE HONORABLE P. KEVIN CASTEL
UNITED STATES DISTRICT JUDGE

EXHIBIT A-1

IF YOU PURCHASED SHARES OF THE THIRD AVENUE FOCUSED CREDIT FUND (THE “FUND”) DURING THE PERIOD FROM MARCH 1, 2013 THROUGH DECEMBER 10, 2015, INCLUSIVE (“CLASS”), YOU COULD GET A PAYMENT FROM A CLASS ACTION SETTLEMENT.¹

A federal court authorized this Notice. This is not a solicitation from a lawyer.

Description of Lawsuit and Class: This case is a securities class action filed against Third Avenue Trust and other defendants on behalf of persons who purchased shares of Third Avenue Focused Credit Fund during the period from March 1, 2013 through December 10, 2015, inclusive (the “Class Period”).

Statement of Class’ Recovery: \$14,250,000 in cash, plus any interest earned. If you are a Class Member, your recovery will depend on the timing of your purchases and sales (if any) of Fund shares during the Class Period, and on any Fund shares that you held at the beginning of the Class Period. Based on the information currently available to the Plaintiffs and the analysis performed by their damages consultants, it is estimated that if Class Members submit claims for 100% of the eligible Fund shares for distribution under the Plan of Allocation (described below), the estimated average distribution per Fund share will be approximately \$0.08 before deduction of Court-approved fees and expenses, including the cost of notifying Class Members, administering the Settlement, and paying any attorneys’ fees and expenses awarded by the Court to counsel for the Plaintiffs. Historically, actual claims rates are less than 100%, which result in higher distributions per share. A Class Member’s actual recovery will be a proportion of the Net Settlement Fund determined by that

¹ The complete terms of the Settlement are set forth in the Stipulation of Settlement dated March 31, 2017, which can be obtained at www.thirdavenuefundsettlement.com.

claimant's recognized claim as compared to the total recognized claims of all Class Members who submit valid Proof of Claim and Release forms ("Proof of Claim").

Reasons for Settlement: Avoids the costs and risks associated with continued litigation, including the danger of no recovery, and provides an immediate cash benefit to the Class.

If the Case Had Not Settled: Continuing with the case could have resulted in a loss on Defendants' pending motion to dismiss the Class' claims, at summary judgment, trial, or in any subsequently filed appeal. The two sides vigorously disagree on both liability and the amount of money that could have been recoverable if the Plaintiffs prevailed at trial. The parties disagree about, among other things: (i) the amount of alleged damages, if any, that could be recovered at trial; (ii) the other, non-actionable causes of the losses to the Fund during the relevant period; (iii) whether any allegedly false or misleading statements in the registration statements and prospectuses were the proximate cause of any investor losses; (iv) the extent that various facts alleged by the Plaintiffs influenced the net asset value of the Fund during the relevant period; and (v) whether the allegedly misstated facts were material, false, misleading or otherwise actionable under the securities laws.

Attorneys' Fees and Expenses: Court-approved Lead Counsel will ask the Court for attorneys' fees of 10% of the Settlement Fund and expenses not to exceed \$320,000, to be paid from the Settlement Fund plus interest. Lead Counsel have not received any payment for their work since the case began, investigating the facts, prosecuting this Action, and negotiating this Settlement on behalf of the Plaintiffs and the Class. If the above amounts are requested and approved by the Court, the average cost per Fund share will be approximately \$0.01.

Lawyers’ Representatives: Plaintiffs and the Class are being represented by Robbins Geller Rudman & Dowd LLP. Any questions should be sent to that firm at the address and telephone number given below.

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT	
Submit a Proof of Claim and Release Form	The only way to get a payment.
Go to a Hearing	Ask to speak in Court about the fairness of the Settlement.
Do Nothing	Get no payment. Give up your rights.
Exclude Yourself	Get no payment. This is the only option that allows you to ever bring a lawsuit against Defendants and the other Released Persons concerning the legal claims at issue in this case.
Object	Write to the Court about why you do not like the Settlement.

The following **deadlines** apply to your rights and options in this Action:

Submit Proof of Claim: _____, 2017
 Request Exclusion: _____, 2017
 File Objection: _____, 2017
 Court Hearing on Fairness of Settlement: _____, 2017

These rights and options — *and the deadlines to exercise them* — are explained in this Notice.

The Court in charge of this case must decide whether to approve the Settlement. Payments will be made if the Court approves the Settlement and, if there are any appeals, after appeals are resolved. Please be patient.

More information:

Third Avenue Fund Securities Litigation
 Claims Administrator
 c/o Gilardi & Co. LLC
 P.O. Box 30255
 College Station, TX 77842-3255
 1-844-540-6003
 www.thirdavenuefundsettlement.com

Rick Nelson
 Shareholder Relations
 Robbins Geller Rudman & Dowd LLP
 655 West Broadway, Suite 1900
 San Diego, CA 92101
 1-800-449-4900

BASIC INFORMATION

1. Why Did I Get This Notice Package?

You or someone in your family may have purchased Fund shares during the period March 1, 2013 through December 10, 2015, inclusive.

The Court directed that you be sent this Notice because you have a right to know about a proposed Settlement of a class action lawsuit, and about all of your options, before the Court decides whether to approve the Settlement. If the Court approves it, and after any objections or appeals are resolved, the Claims Administrator appointed by the Court will make the payments that the Settlement allows.

This package explains the lawsuit, the Settlement, your legal rights, what benefits are available, who is eligible for them, and how to get them.

The Court in charge of the case is the United States District Court for the Southern District of New York, and the case is known as *In re Third Avenue Management LLC Securities Litigation*, Civil Action No. 1:16-cv-02758-PKC. The parties who sued are called Plaintiffs. The persons and entities they sued – William E. Chapman, II, Lucinda Franks, Edward J. Kaier, Patrick Reinkemeyer, Eric P. Rakowski, Martin Shubik, Charles C. Walden, Martin J. Whitman, David M. Barse, Vincent J. Dugan, Jack W. Aber, Marvin Moser, Third Avenue Trust (the “Trust”), Third Avenue Management LLC (the “Advisor”), Affiliated Managers Group, Inc. (“AMG”), M.J. Whitman LLC (“MJW”) – are called the Defendants.

2. What Is This Lawsuit About?

Plaintiffs allege that the offering documents for the continuous offering of the Fund’s shares negligently misrepresented and omitted material information about the Fund and its assets. More specifically, Plaintiffs allege that: (i) the Fund’s Registration Statement misrepresented the liquidity

of the Fund's assets, which Plaintiffs assert contained illiquid holdings in an amount greater than the Fund's purported 15% restriction on such holdings and parallel U.S. Securities and Exchange Commission ("SEC") guidance; (ii) the Fund misrepresented the shareholders' ability to redeem shares in light of the Fund's insufficient liquidity and the substantial amount of redemptions that could force the Fund to suspend redemptions; (iii) the Fund inaccurately marketed itself as a "high-yield" fund, when it was actually a "highly illiquid distressed debt fund"; (iv) the Fund misrepresented Defendants' ability to properly value securities because the Fund did not properly identify illiquid securities or take into account the illiquid nature of its assets when determining their values; (v) the Fund's Registration Statement contained false and misleading sworn certifications; and (vi) the Fund did not comply with the SEC's requirement in Form N-1A that mutual fund prospectuses disclose the principal risks of investing in the Fund.

During 2015, the Fund experienced a significant increase in the amount of redemptions by shareholders. The Fund sold assets for cash to meet redemption obligations. By December 9, 2015, with shares of the Fund down more than 45% below their Class Period high, shareholders were no longer able to redeem shares for cash because the Fund was unable to generate sufficient cash to meet redemptions without resorting to asset sales at prices that would disadvantage the remaining shareholders of the Fund.

Defendants deny all of Plaintiffs' allegations and that they did anything wrong. Defendants maintain that the Fund was operated at all times in accordance with SEC guidance and the Fund's disclosures to investors. Defendants also deny that the Plaintiffs or the Class suffered legally compensable damages, or that any causal connection could be established between the alleged misrepresentations and any alleged harm to Plaintiffs or the Class.

3. Why Is This Action a Class Action?

In a class action, one or more people called class representatives (in this case the Court-appointed Lead Plaintiff IBEW Local No. 58 Sound & Communication Division Retirement Plan and plaintiff Anthony Dallacasa (collectively, “Plaintiffs”)) sue on behalf of people who have similar claims. Here, all these people are called a Class, which consists of Class Members. One court resolves the issues for all Class Members, except for those who exclude themselves from the Class. The Honorable P. Kevin Castel is the judge overseeing this class action.

4. Why Is There a Settlement?

There has not been a final resolution of this Action in favor of the Plaintiffs or Defendants. Instead, all parties agreed to the Settlement with the assistance of a former federal judge (the Honorable Layn R. Phillips), an experienced and highly respected mediator of complex actions like this. By agreeing to the Settlement, the parties avoid the cost and uncertainty of further litigation, including a trial (and any further appeals), and allow eligible Class Members who submit valid claims to receive a payment. Defendants have denied the claims asserted against them in the Action and deny having engaged in any wrongdoing or violation of law of any kind whatsoever. The Plaintiffs and their attorneys believe the Settlement is in the best interests of the Class.

WHO IS IN THE SETTLEMENT

To see if you will get money from this Settlement, you first have to determine if you are a Class Member.

5. How Do I Know if I Am Part of the Settlement?

The Class includes *all persons and entities who purchased Fund shares during the period from March 1, 2013 through December 10, 2015, inclusive, except those persons and entities that are excluded, as described below*. If you sold Fund shares during the period from March 1, 2013

through December 10, 2015, inclusive, that alone does not make you a Class Member. You are a Class Member only if you *purchased* Fund shares during the period from March 1, 2013 through December 10, 2015, inclusive.

6. Who Is Excluded from the Class?

Excluded from the Class are Defendants, employees, officers and directors of the Defendant entities, members of the immediate families of each of the Individual Defendants, the estates of the deceased Individual Defendants, any Person in which any Defendant has a controlling interest and, as to such excluded Person, the legal and personal representatives, agents, assigns and heirs, successors or assigns of any such excluded Person. Also excluded from the Class are any Class Members who timely and validly exclude themselves from the Class in accordance with the requirements set forth in this Notice.

7. I'm Still Not Sure if I Am Included.

If you are still not sure whether you are included, you can ask for free help. You can call the Claims Administrator at 1-844-540-6003, or Lead Counsel listed in Question 24 for more information.

THE SETTLEMENT BENEFITS — WHAT YOU GET

8. What Does the Settlement Provide?

Defendants have agreed to pay \$14,250,000 in cash to be divided among all eligible Class Members who submit valid Proofs of Claim, after payment of Court-approved attorneys' fees and expenses and the costs of claims administration, including the costs of printing and mailing this Notice and the cost of publishing a summary notice, and any taxes or tax expenses on the Settlement Fund.

9. How Much Will My Payment Be?

Your share of the fund will depend on the number of valid Proofs of Claim that Class Members submit, how many shares of the Fund you purchased during the relevant period, and when you bought and sold them. The payment you get will reflect your *pro rata* share of the Net Settlement Fund. If claims are filed for 100% of the eligible Fund shares, the average distribution per share will be approximately \$0.08 before deduction of Court-approved fees and expenses, claims administrator fees and expenses and tax and tax expenses. Historically, actual claim rates are less than 100% and therefore result in higher distributions.

The Net Settlement Fund will be distributed to Class Members who submit valid, timely Proofs of Claim (“Claimants”) under the Plan of Allocation. The Plan of Allocation provides that Claimants will be eligible to participate in the distribution of the Net Settlement Fund only if they have a net investment loss.

If there are sufficient funds in the Net Settlement Fund, each Claimant will receive an amount equal to the Claimant’s “Claim” as defined below. If, however (and as is more likely), the amount in the Net Settlement Fund is not sufficient to permit payment of the total Claim of each Claimant, then each Claimant shall be paid the percentage of the Net Settlement Fund that each Claimant’s claim bears to the total of the claims of all Claimants. Payment in this manner shall be deemed conclusive against all Claimants.

The Plan of Allocation has been prepared by Plaintiffs’ counsel with the assistance of their damages consultants.

PLAN OF ALLOCATION

Third Avenue Focused Credit Fund CUSIPs: 884116708 and 884116609

The calculation of Claims below is not an estimate of the amount you will receive. It is a formula for allocating the Net Settlement Fund among all Claimants. A Claim will be calculated as follows:

Closing price on December 10, 2015: \$6.48 per share

For shares of Third Avenue Focused Credit Fund purchased during the Class Period and

- 1) sold prior to December 10, 2015, the claim per share is the Purchase Price less the Sales Price.
- 2) retained at the close of trading on December 10, 2015, or sold thereafter, the claim per share is the lesser of (i) the Purchase Price less \$6.48, or (ii) the Purchase Price less the Sales Price.

The First-In, First-Out (“FIFO”) method will be applied to such holdings, purchases, and sales for purposes of calculating a Claim. Investment gains achieved in connection with transactions in Fund shares will be offset against losses suffered in connection with transactions in Fund shares in calculating Claimants’ losses. Although short sales will have no recognized loss under the Plan of Allocation, any recognized gain attributable to such short sales will be used to offset recognized losses from other transactions. Furthermore, market gains or losses attributable to short sales will be calculated as part of the market gain or loss calculation.

A Claimant will be eligible to receive a distribution from the Net Settlement Fund only if a Class Member had a net loss, after all profits from transactions in Fund shares during the Class Period are subtracted from all losses from transactions in Fund shares during the Class Period. However, the proceeds from sales of Fund shares that have been matched against Fund shares held at the beginning of the Class Period will not be used in the calculation of such net loss.

Fund shares acquired by means of a gift, inheritance or operation of law shall be considered only if the donor, decedent, or transferor does not submit a Proof of Claim with respect to the shares. If the recipient submits the claim, he, she, or it must provide documentation of the original purchase in addition to the transfer.

Payment pursuant to the Plan of Allocation shall be conclusive against all Claimants. No Person shall have any claim against Lead Counsel, Plaintiffs, the Claims Administrator, Defendants and their Released Persons, or any other Person designated by Lead Counsel based on distributions made substantially in accordance with the Stipulation and the Settlement contained therein, the Plan of Allocation, or further order(s) of the Court. All Class Members who fail to complete and file a valid and timely Proof of Claim shall be barred from participating in distributions from the Net Settlement Fund (unless otherwise ordered by the Court or provided by the Stipulation of Settlement) but otherwise shall be bound by all of the terms of the Stipulation, including the terms of any judgment entered and the releases given.

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

HOW YOU GET A PAYMENT — SUBMITTING A PROOF OF CLAIM

10. How Will I Get a Payment?

To be potentially eligible for a payment from the proceeds of the Settlement, you must be a member of the Class and must timely complete and return the Proof of Claim with adequate supporting documentation **postmarked, if mailed, or received, if submitted on-line, no later than _____, 2017**. A Proof of Claim is included with this Notice. You may also obtain a Proof of Claim from the website maintained by the Claims Administrator for the Settlement, www.thirdavenuefundsettlement.com, or you may request that a Proof of Claim be mailed to you by

calling the Claims Administrator toll-free at 1-844-540-6003 or by sending an email to the Claims Administrator at info@thirdavenuefundsettlement.com. Please retain all records of your ownership of and transactions in your Fund shares, as these records may be needed to document your claim. If you request exclusion from the Class or do not submit a timely and adequate Proof of Claim, you will not be eligible to share in the Net Settlement Fund.

11. When Will I Get My Payment?

The Court will hold a hearing on _____, to decide whether to approve the Settlement. If Judge Castel approves the Settlement, there may be appeals. It is always uncertain whether these appeals can be resolved favorably, and resolving them can take time, perhaps several years. It also takes time for all Proofs of Claim to be processed. Please be patient.

12. What Am I Giving Up to Get a Payment or Stay in the Class?

Unless you timely and validly exclude yourself, you are staying in the Class, and that means that you cannot sue, continue to sue, or be part of any other lawsuit against Defendants or any other Released Person about the Released Plaintiffs' Claims in this case. It also means that all of the Court's orders will apply to you and legally bind you, and you will release your claims in this case against Defendants and the other Released Persons. The terms of the release are included in the enclosed Proof of Claim and the Stipulation.

EXCLUDING YOURSELF FROM THE SETTLEMENT

If you do not want a payment from this Settlement, but you want to keep the right to sue or continue to sue the Defendants or any other Released Person on your own about the same Released Plaintiffs' Claims, then you must take steps to get out of the Class. This is called excluding yourself or is sometimes referred to as opting out of the Class.

13. How Do I Get Out of the Class?

To exclude yourself from the Class, you must send a letter by mail stating that you want to be excluded from *In re Third Avenue Management LLC Securities Litigation*, Civil Action No. 1:16-cv-02758-PKC. You must include your name, address, telephone number, email address (if available), the number of Fund shares purchased during the period March 1, 2013 through December 10, 2015, inclusive, the number of shares sold during this time period, if any, the dates of such purchases and sales, and a statement that you wish to be excluded from the Class. **You must mail your exclusion request so that it is postmarked no later than _____ to:**

Third Avenue Fund Securities Litigation
EXCLUSIONS
Claims Administrator
c/o Gilardi & Co. LLC
3301 Kerner Blvd.
San Rafael, CA 94901

If you want to be excluded from the Class, you must follow these instructions even if you have pending, or later file, another lawsuit, arbitration, or other proceeding asserting any Released Plaintiffs' Claim. You cannot exclude yourself on the phone or by e-mail. If you ask to be excluded, you are not eligible to get any settlement payment, and you cannot object to the Settlement. You will not be legally bound by anything that happens in this lawsuit.

14. If I Do Not Exclude Myself, Can I Sue the Defendants for the Same Thing Later?

No. Unless you exclude yourself, you give up any right to sue the Defendants or any Released Person for the Released Plaintiffs' Claims. If you have a pending lawsuit against any of the Defendants or any Released Person, speak to your lawyer in that case immediately. Remember, the exclusion deadline is _____.

15. If I Exclude Myself, Can I Get Money from This Settlement?

No. If you exclude yourself, do not send in a Proof of Claim. But you may sue, continue to sue, or be part of a different lawsuit against the Defendants or any other Released Person related to the Released Plaintiffs' Claims.

THE LAWYERS REPRESENTING YOU

16. Do I Have a Lawyer in This Case?

The law firm of Robbins Geller Rudman & Dowd LLP represents you and other Class Members. These lawyers are called Lead Counsel. You will not be charged for these lawyers. If you want to be represented by your own lawyer, you may hire one at your own expense.

17. How Will the Lawyers Be Paid?

Lead Counsel will ask the Court for attorneys' fees of 10% of the Settlement Fund and expenses up to \$320,000, which were incurred in connection with the Action, plus interest on both amounts at the same rate and for the same period of time as that earned by the Settlement Fund. Such sums as may be approved by the Court will be paid from the Settlement Fund. Class Members will not be personally liable for any such fees or expenses.

The attorneys' fees and expenses requested will be the only payment to Lead Counsel for their efforts in achieving this Settlement and for their risk in undertaking this representation on a wholly contingent basis. To date, Lead Counsel have not been paid for their services for conducting this Action on behalf of the Class, or for their expenses incurred in the prosecution of the Action. The fee requested will compensate Lead Counsel for their work in creating the Settlement Fund. The Court may award less than this amount.

OBJECTING TO THE SETTLEMENT

You can tell the Court that you do not agree with the Settlement or some part of it.

18. How Do I Tell the Court that I Do Not Like the Settlement, the Plan of Allocation, or Lead Counsel's Request for an Award of Attorneys' Fees and Expenses?

If you are a Class Member, you can object to the Settlement, the Plan of Allocation, and/or Lead Counsel's request for an award of attorneys' fees if you don't like any part of it. You can give reasons why you think the Court should not approve it. The Court will consider your views. To object, you must send a letter saying that you object to the Settlement in *In re Third Avenue Management LLC Securities Litigation*, Civil Action No. 1:16-cv-02758-PKC. Be sure to include your name, address, telephone number, email address (if available), signature, the number of Fund shares purchased during the period beginning on March 1, 2013 through December 10, 2015, inclusive, and the reasons you object to the Settlement, the Plan of Allocation, and/or Lead Counsel's request for an award of attorneys' fees, including any documents or other evidence that you want the Court to consider. Mail the objection to the Court, Lead Counsel, and Defendants' Counsel such that it is received no later than _____:

Court:

Clerk of the Court
UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK
DANIEL PATRICK MOYNIHAN
UNITED STATES COURTHOUSE
500 Pearl Street
New York, NY 10007

Counsel for Plaintiffs:

ROBBINS GELLER RUDMAN
& DOWD LLP
JEFFREY D. LIGHT
655 West Broadway, Suite 1900
San Diego, CA 92101

Counsel for Defendants:

ROPES & GRAY LLP
ROBERT A. SKINNER
Prudential Tower
800 Boylston Street
Boston, MA 02199

If you do not timely make your objection, you will have waived all objections, you will not be entitled to speak at the Settlement Hearing, and you will not be entitled to appeal from any order and/or judgment approving the Settlement, any order approving the Plan of Allocation or any order awarding Lead Counsel attorneys' fees and expenses.

If you hire an attorney (at your own expense) to represent you for purposes of objecting, your attorney must serve a notice of appearance on Lead Counsel and Defendants' Counsel and file it with the Court (at the address set out above) so that it is received no later than the date set for objections to the proposed Settlement.

19. What's the Difference Between Objecting and Excluding?

Objecting is simply telling the Court that you don't like something about the Settlement. You can object *only if* you stay in the Class. Excluding yourself is telling the Court that you do not want to be part of the Class. If you exclude yourself, you have no basis to object because the case no longer affects you.

THE COURT'S SETTLEMENT HEARING

The Court will hold a hearing to decide whether to approve the Settlement. You may attend, and you may ask to speak, but you don't have to.

20. When and Where Will the Court Decide Whether to Approve the Settlement?

The Court will hold a hearing (the "Settlement Hearing") at _____ .m., on _____, in Courtroom 11D of the United States District Court for the Southern District of New York, Daniel Patrick Moynihan United States Courthouse, 500 Pearl Street, New York, NY

10007. At this hearing the Court will consider whether the Settlement is fair, reasonable, and adequate. If there are objections, the Court will consider them. Judge Castel will listen to people who have asked to speak at the hearing. The Court will also consider whether to approve the Plan of Allocation and Lead Counsel's request for an award of attorneys' fees and expenses, how much to pay to Lead Counsel. The Court may decide these issues at the hearing or take them under consideration. We do not know how long these decisions will take. The Court may adjourn or continue the Settlement Hearing without further notice to the Class. If you intend to attend the hearing, you should confirm the date and time with Lead Counsel or by checking the Settlement website.

21. Do I Have to Come to the Hearing?

No. Lead Counsel will answer questions Judge Castel may have. But, you are welcome to come at your own expense. If you send an objection, you do not have to come to Court to talk about it. As long as you mailed your written objection on time, the Court will consider it. You may also pay your own lawyer to attend, but it is not necessary.

22. May I Speak at the Hearing?

You may ask the Court for permission to speak at the Settlement Hearing. To do so, you must send a letter saying that it is your intention to appear in *In re Third Avenue Management LLC Securities Litigation*, Civil Action No. 1:16-cv-02758-PKC. Be sure to include your name, address, telephone number, signature, email address (if available), and the number of Fund shares purchased during the period from March 1, 2013 through December 10, 2015, inclusive. Your notice of intention to appear must be received no later than _____, by the Clerk of the Court, Lead Counsel, and Defendants' counsel, at the addresses listed above in Question 18. Any Class Member who does not timely file and serve a notice of intention to appear in accordance with this

paragraph shall not be permitted to appear at the Settlement Hearing, unless otherwise ordered by the Court.

You cannot speak at the hearing if you exclude yourself from the Class.

IF YOU DO NOTHING

23. What Happens if I Do Nothing at All?

If you do nothing, you will get no money from this Settlement. But, unless you exclude yourself, you will not be able to start a lawsuit, continue with a lawsuit, or be part of any other lawsuit against the Defendants and any Released Person about the same issues in this case.

24. How Do I Get More Information

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 should consult 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, Southern District of New York, 500 Pearl Street, New York, NY 10007. Additionally, copies of the Stipulation, this Notice, the Proof of Claim, the proposed Final Order and Judgment, and any related orders entered by the Court in connection with the Settlement will be posted on the website maintained by the Claims Administrator, www.thirdavenuefundsettlement.com.

All inquiries concerning the Action, this Notice and the Proof of Claim, or requests for additional information, should be directed to:

Third Avenue Fund Securities Litigation
c/o Gilardi & Co. LLC
P.O. Box 30255
College Station, TX 77842-3255
1-844-540-6003
info@thirdavenuefundsettlement.com

or

Rick Nelson
Shareholder Relations
ROBBINS GELLER RUDMAN
& DOWD LLP
655 West Broadway, Suite 1900
San Diego, CA 92101
Telephone: (800) 449-4900

SPECIAL NOTICE TO NOMINEES

If you hold any Fund shares purchased during the period from March 1, 2013 through December 10, 2015, inclusive, as nominee for a beneficial owner, then, within ten (10) days after you receive this Notice, you must either: (1) send a copy of this Notice by First-Class Mail to all such Persons; or (2) provide a list of the names and addresses of such Persons to the Claims Administrator:

Third Avenue Fund Securities Litigation
Claims Administrator
c/o Gilardi & Co. LLC
P.O. Box 30255
College Station, TX 77842-3255
edata@gilardi.com

If you choose to mail the Notice and Proof of Claim yourself, you may obtain from the Claims Administrator (without cost to you) as many additional copies of these documents as you will need to complete the mailing.

Regardless of whether you choose to complete the mailing yourself or elect to have the mailing performed for you, you may obtain reimbursement for or advancement of reasonable administrative costs that you actually incurred or expect to incur in connection with forwarding the Notice and that you would not have incurred but for the obligation to forward the Notice, upon submission of appropriate documentation to the Claims Administrator.

DO NOT TELEPHONE THE COURT REGARDING THIS NOTICE.

DATED: _____, 2017

BY ORDER OF THE COURT
UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

EXHIBIT A-2

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

_____	X	
In re THIRD AVENUE MANAGEMENT	:	Civil Action No. 1:16-cv-02758-PKC
LLC SECURITIES LITIGATION	:	
_____	:	<u>CLASS ACTION</u>
	:	
This Document Relates To:	:	PROOF OF CLAIM AND RELEASE
	:	
ALL ACTIONS.	:	EXHIBIT A-2
_____	X	

I. GENERAL INSTRUCTIONS

1. To recover as a member of the Class based on your claims in the action entitled *In re Third Avenue Management LLC Securities Litigation*, Civil Action No. 1:16-cv-02758-PKC (the “Action”), you must complete and, on page ___ hereof, sign this Proof of Claim and Release form (“Proof of Claim”). If you fail to submit a properly addressed (as set forth in paragraph 3 below) Proof of Claim, your claim may be rejected, and you may be precluded from any recovery from the Net Settlement Fund created in connection with the proposed Settlement of the Action.

2. Submission of this Proof of Claim, however, does not assure that you will share in the proceeds of the Settlement of the Action.

3. YOU MUST MAIL OR SUBMIT ONLINE YOUR COMPLETED AND SIGNED PROOF OF CLAIM, ACCOMPANIED BY COPIES OF THE DOCUMENTS REQUESTED HEREIN, POSTMARKED OR SUBMITTED ONLINE ON OR BEFORE _____, ADDRESSED AS FOLLOWS:

Third Avenue Fund Securities Litigation
Claims Administrator
c/o Gilardi & Co. LLC
P.O. Box 30255
College Station, TX 77842-3255
Online submissions: www.thirdavenuefundsettlement.com

4. If you are NOT a member of the Class (as defined in the Notice of Pendency and Proposed Settlement of Class Action (“Notice”)) DO NOT submit a Proof of Claim.

5. If you request exclusion from the Class, DO NOT submit a Proof of Claim.

6. If you are a member of the Class and you do not timely request exclusion in connection with the proposed Settlement, you are bound by the terms of any judgment entered in the Action, including the releases provided therein, WHETHER OR NOT YOU SUBMIT A PROOF OF CLAIM.

II. CLAIMANT IDENTIFICATION

If you purchased shares of Third Avenue Focused Credit Fund (the “Fund”) during the period from March 1, 2013, through December 10, 2015, use Part I of this form entitled “Claimant Identification” to list the claimant name, mailing address, and account information if relevant (such as for a claim submitted on behalf of an IRA, Trust, or estate account). Please list the most current claimant or account name as you would like the information to appear on the check, if you are eligible for payment. Please also provide a telephone number and/or e-mail address, as the Claims Administrator may need to contact you with questions about your claim. If your Claimant Identification information changes, please notify the Claims Administrator in writing at the address above.

If you are acting in a representative capacity on behalf of a Class Member (for example, as an executor, administrator, trustee, or other representative), you must submit evidence of your current authority to act on behalf of that Class Member. Such evidence would include, for example, letters testamentary, letters of administration, or a copy of the trust documents or other documents that provide you with the authority to submit the claim. Please also state your representative capacity under your signature on page __ of this claim form.

NOTICE REGARDING ELECTRONIC FILES: Certain claimants with large numbers of transactions may request to, or may be requested to, submit information regarding their transactions in electronic files. If you have a large number of transactions and wish to file your claim electronically, you must contact the Claims Administrator at edata@gilardi.com to obtain the required file layout.

III. CLAIM FORM

Use Part II of this form, titled “Schedule of Transactions in Fund Shares,” to supply all required details of your transaction(s) of the Fund’s shares. If you need more space or additional schedules, attach separate sheets giving all of the required information in substantially the same form. Sign and print or type your name on each additional sheet.

On the schedules, please provide all of the requested information for *all* of your purchases and *all* of your sales of Fund shares at any time between March 1, 2013 through December 10, 2015, inclusive (the “Class Period”), whether such transactions resulted in a profit or a loss. You must also provide all of the requested information for *all* of the Fund shares you held at the close of trading on February 28, 2013, and at the close of trading on December 10, 2015. Failure to report all such transactions may result in the rejection of your claim.

List each transaction in the Class Period separately and in chronological order, by trade date, beginning with the earliest. You must accurately provide the month, day, and year of each transaction you list.

The date of covering a “short sale” is deemed to be the date of purchase of Fund shares. The date of a “short sale” is deemed to be the date of sale of Fund shares.

You should attach to your claim copies of stockbroker confirmation slips, stockbroker statements, or other documents evidencing your transactions in the Fund shares. If any such documents are not in your possession, please obtain a copy or equivalent documents from your broker, because these documents are necessary to prove and process your claim. Failure to provide this documentation could delay verification of your claim or result in rejection of your claim.

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

In re Third Avenue Management LLC Securities Litigation

Civil Action No. 1:16-cv-02758-PKC

PROOF OF CLAIM AND RELEASE

Must Be Postmarked or Submitted Online No Later Than:

Please Type or Print

PART I: CLAIMANT IDENTIFICATION

Beneficial Owner's Name (First, Middle, Last)

Street Address

City

State or Province

Zip Code or Postal Code

Country

Social Security Number or
Taxpayer Identification Number

Individual
Corporation/Other

Area Code

Telephone Number (work)

Area Code

Telephone Number (home)

PART II: SCHEDULE OF TRANSACTIONS IN FUND SHARES

A. Number of shares of the Fund held at the close of trading on February 28, 2013:

B. Purchases (March 1, 2013 – December 10, 2015, inclusive) of Fund shares (including shares purchased via a monthly dividend reinvestment program):

Trade Date Mo. Day Year	Number of Shares Purchased	Total Purchase Price
1. _____	1. _____	1. _____
2. _____	2. _____	2. _____
3. _____	3. _____	3. _____

IMPORTANT: If any purchase listed covered a “short sale,” please mark yes:
YES

C. Sales (March 1, 2013 – December 10, 2015, inclusive) of Fund shares:

Trade Date Mo. Day Year	Number of Shares Sold	Total Sales Price
1. _____	1. _____	1. _____
2. _____	2. _____	2. _____
3. _____	3. _____	3. _____

D. Number of shares of the Fund held at the close of trading on December 10, 2015:

If you require additional space, attach extra schedules in the same format as above. Sign and print your name on each additional page.

YOU MUST READ THE RELEASE PROVISIONS AT THE END OF THIS PROOF OF CLAIM. YOUR SIGNATURE ON PAGE __ WILL CONSTITUTE YOUR ACKNOWLEDGMENT OF THE RELEASE.

IV. SUBMISSION TO JURISDICTION OF COURT AND ACKNOWLEDGMENTS

I (We) submit this Proof of Claim under the terms of the Stipulation of Settlement (“Stipulation”) described in the Notice. I (We) also submit to the jurisdiction of the United States District Court for the Southern District of New York with respect to my (our) claim as a Class Member and for purposes of enforcing the release set forth herein. I (We) further acknowledge that I am (we are) bound by and subject to the terms of any judgment that may be entered in the Action. I (We) agree to furnish additional information to the Claims Administrator to support this claim if requested to do so. I (We) have not submitted any other claim covering the same purchases or sales of Fund shares during the Class Period and know of no other person having done so on my (our) behalf.

V. RELEASE

1. I (We) hereby acknowledge full and complete satisfaction of, and do hereby fully, finally, and forever settle, release, and discharge from the Released Plaintiffs’ Claims each and all of the “Released Persons,” defined as the following persons (the “Released Persons”), whether or not each or all of the following Persons were named, served with process, or appeared in the Action, with respect to the Released Plaintiffs’ Claims (as defined below): (a) Defendants and the Fund; (b) for each and all of the Persons identified in the foregoing clause, any and all of their respective past or present trusts, foundations, investors, insurers, reinsurers, partnerships, general or limited partners or partnerships, joint ventures, member firms, limited-liability companies, corporations, parents, controlling persons, subsidiaries, divisions, direct or indirect affiliates, associated entities, stockholders, members, managing members, managing agents, financial or investment advisors, advisors, consultants, investment bankers, entities providing any fairness opinion, underwriters, brokers, dealers, lenders, commercial bankers, attorneys in fact, counsel, accountants and associates

that are not natural persons; (c) for each and all of the Persons identified in the foregoing clauses of this paragraph that are not natural persons, any and all of their respective past or present trustees, agents, employees, fiduciaries, partners, controlling persons, principals, officers, managers, directors, managing directors, members, managing members, managing agents, financial or investment advisors, advisors, consultants, brokers, dealers, lenders, attorneys in fact, counsel, accountants, and associates who are natural persons; (d) for each and all of the Persons identified in the foregoing clauses of this paragraph that are not natural persons, their respective successors and assigns; and (e) for each and all of the Persons identified in the foregoing clauses of this paragraph who are natural persons, any and all of their past or present family members or spouses, and the heirs, executors, estates, administrators, personal or legal representatives, assigns, beneficiaries, and distributees of any of the foregoing.

2. “Released Plaintiffs’ Claims” means the following claims will be released with respect to the Released Persons: all actions, claims, debts, demands, causes of action and rights and liabilities whatsoever (including, but not limited to, any claims for damages, interest, attorneys’ fees, expert, or consulting fees and any other costs, expenses, or liability whatsoever), against Defendants and the Released Persons, belonging to Plaintiffs and/or any or all Class Members or any Person acting on their behalf, including their present or past heirs, executors, estates, administrators, predecessors, successors, assigns, parents, subsidiaries, associates, affiliates, employers, employees, agents, insurers, reinsurers, directors, managing directors, officers, partners, principals, members, managing members, attorneys, financial and other advisors, investment bankers, underwriters, lenders, and any other representatives of any of these persons and entities (the “Releasing Plaintiffs”), whether direct, derivative, representative or in any other capacity, arising under federal, state, local or foreign, statutory or common law or any other law, rule or regulation, concerning both

known claims and Unknown Claims, that: (a) have been asserted in the Action (including all claims alleged in any complaint filed in the Action or in any action consolidated into it) against any of the Released Persons; or (b) could have been or could be asserted in any forum by or on behalf of the Class Members or any of them against any of the Released Persons, if such claims or Unknown Claims (i) relate to the allegations, transactions, facts, matters, breaches, occurrences, financial statements, statements, representations or omissions involved, set forth, or referred to in the Action and (ii) relate to the purchase of Fund shares during the Class Period (including any decision to hold or retain such Fund shares).

3. “Unknown Claims” means any Released Plaintiffs’ Claim that the Lead Plaintiff or any Class Member does not know or suspect to exist in his, her or its favor at the time of the release of the Released Persons, which, if known by him, her or it, would or might have affected his, her or its settlement with and release of the Released Persons, or would or might have affected his, her or its decision not to object to this Settlement; and any Released Defendants’ Claim that any Defendant does not know or suspect to exist in his, her or its favor at the time of the release, which, if known by him, her or it, would or might have affected his, her or its decision(s) with respect to the Settlement. Plaintiffs or the Class Members may hereafter discover facts in addition to or different from those that he, she or it now knows or believes to be true with respect to the subject matter of the Released Plaintiffs’ Claims, but, upon the Effective Date, Plaintiffs and the Class Members shall have expressly waived and shall be deemed to have, and by operation of the Final Order and Judgment shall have, fully, finally, and forever waived, relinquished, settled and released any and all Released Plaintiffs’ Claims (including Unknown Claims), known or unknown, suspected or unsuspected, contingent or non-contingent, whether or not concealed or hidden, that now exist, or heretofore have existed, upon any theory of law or equity now existing or coming into existence in the future,

including, but not limited to, conduct that is negligent, intentional, with or without malice, or a breach of any duty, law or rule, without regard to the subsequent discovery or existence of such different or additional facts. Likewise, Defendants may hereafter discover facts in addition to or different from those that he, she or it now knows or believes to be true with respect to the subject matter of the Released Defendants' Claims, but, upon the Effective Date, Defendants shall have expressly waived and shall be deemed to have, and by operation of the Final Order and Judgment shall have fully, finally, and forever waived, relinquished, settled and released any and all Released Defendants' Claims (including Unknown Claims), known or unknown, suspected or unsuspected, contingent or non-contingent, whether or not concealed or hidden, that now exist, or heretofore have existed, upon any theory of law or equity now existing or coming into existence in the future, including, but not limited to, breach of any duty, law or rule, without regard to the subsequent discovery or existence of such different or additional facts. Plaintiffs and Defendants acknowledge, and the Class Members by operation of law shall be deemed by operation of the Final Order and Judgment to have acknowledged, that the inclusion of Unknown Claims in the definition of Released Claims, Released Defendants' Claims and Released Plaintiffs' Claims was separately bargained for and is a key element of the Settlement, of which this release is a material and essential part, and expressly waive the benefits of (a) the provisions of §1542 of the California Civil Code, which provides that:

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,

and (b) any and all provisions or rights conferred by any law of any state or territory of the United States, or principle of common law, that is similar, comparable or equivalent to California Civil Code §1542.

4. This release shall be of no force or effect unless and until the Court approves the Stipulation of Settlement and the Stipulation becomes effective on the Effective Date (as defined in the Stipulation).

5. I (We) hereby warrant and represent that I (we) have not assigned or transferred or purported to assign or transfer, voluntarily or involuntarily, any matter released pursuant to this release or any other part or portion thereof.

6. I (We) hereby warrant and represent that I (we) have included information about all of my (our) transactions in the Fund that occurred during the Class Period as well as the number of shares of the Fund held by me (us) at the close of trading on February 28, 2013 and at the close of trading on December 10, 2015.

7. I (We) certify that I am (we are) not subject to backup withholding under the provisions of Section 3406(a)(1)(C) of the Internal Revenue Code.

Note: If you have been notified by the Internal Revenue Service that you are subject to backup withholding, please strike out the language that you are not subject to backup withholding in the certification above.

I declare under penalty of perjury under the laws of the United States of America that the foregoing information supplied by the undersigned is true and correct.

Executed this _____ day of _____
(Month/Year)
in _____
(City) (State/Country)

(Sign your name here)

(Type or print your name here)

(Capacity of person(s) signing,
e.g., Beneficial Purchaser, Executor or
Administrator)

**ACCURATE CLAIMS PROCESSING TAKES A
SIGNIFICANT AMOUNT OF TIME.
THANK YOU FOR YOUR PATIENCE.**

Reminder Checklist:

1. Please sign the above release and declaration.
2. Remember to attach supporting documentation, if available.
3. Do not send original stock certificates.
4. Keep a copy of your claim form for your records.
5. If you desire an acknowledgment of receipt of your claim form, please send it Certified Mail, Return Receipt Requested.
6. If you move, please send us your new address.

THIS PROOF OF CLAIM FORM MUST BE SUBMITTED ONLINE OR MAILED NO LATER THAN _____, 2017, ADDRESSED AS FOLLOWS:

Third Avenue Fund Securities Litigation
Claims Administrator
c/o Gilardi & Co. LLC
P.O. Box 30255
College Station, TX 77842-3255
www.thirdavenuefundsettlement.com

EXHIBIT A-3

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

_____	X	
In re THIRD AVENUE MANAGEMENT	:	Civil Action No. 1:16-cv-02758-PKC
LLC SECURITIES LITIGATION	:	
_____	:	<u>CLASS ACTION</u>
	:	
This Document Relates To:	:	SUMMARY NOTICE OF PROPOSED
	:	SETTLEMENT OF CLASS ACTION
ALL ACTIONS.	:	REGARDING THE THIRD AVENUE
_____	X	FOCUSED CREDIT FUND

EXHIBIT A-3

TO: ALL PERSONS WHO PURCHASED SHARES OF THE **THIRD AVENUE FOCUSED CREDIT FUND** (THE “FUND”) DURING THE PERIOD BEGINNING MARCH 1, 2013 THROUGH DECEMBER 10, 2015, INCLUSIVE (“CLASS PERIOD”)

YOU ARE HEREBY NOTIFIED that the above-captioned action has been certified as a class action for settlement purposes and that Plaintiffs have reached a proposed settlement with Defendants to resolve all claims in the case for \$14,250,000 in cash.

Pursuant to an Order of the United States District Court for the Southern District of New York, a “Settlement Hearing” will be held on _____, 2017, at _____.m., before the Honorable P. Kevin Castel, United States District Judge, at the United States District Court for the Southern District of New York, Daniel Patrick Moynihan United States Courthouse, 500 Pearl Street, New York, NY 10007, to determine, among other things: (1) whether the proposed Settlement of the Action for the sum of \$14,250,000 in cash on the terms set forth in the Stipulation of Settlement dated March 31, 2017 (“Stipulation”)¹ should be approved as fair, reasonable, and adequate; (2) whether an Order Approving Class Action Settlement and Judgment should be entered by the Court dismissing the Action with prejudice; (3) whether the Plan of Allocation of settlement proceeds is fair, reasonable, and adequate and therefore should be approved; and (4) whether Lead Counsel’s motion for an award of attorneys’ fees and expenses should be approved.

IF YOU PURCHASED FUND SHARES DURING THE PERIOD MARCH 1, 2013 THROUGH DECEMBER 10, 2015, INCLUSIVE, YOUR RIGHTS WILL BE AFFECTED BY THIS SETTLEMENT, AND YOU MAY BE ENTITLED TO SHARE IN THE SETTLEMENT FUND.

If you have not received a detailed Notice of Pendency and Proposed Settlement of Class

¹ The Stipulation and other settlement related documents can be viewed at www.thirdavenuefundsettlement.com.

Action (“Notice”), and a copy of the Proof of Claim and Release, you may obtain copies by writing to *Third Avenue Fund Securities Litigation*, Claims Administrator, c/o Gilardi & Co. LLC, P.O. Box 30255, College Station, TX 77842-3255, by telephone, at 1-844-540-6003, or by email, at info@thirdavenuefundsettlement.com. You may also download these documents from the Internet at: www.thirdavenuefundsettlement.com.

If you are a Class Member, in order to share in the distribution of the Net Settlement Fund, you must submit a Proof of Claim and Release by mail **postmarked no later than** _____, **2017**, at the Claims Administrator’s address, *Third Avenue Fund Securities Litigation*, Claims Administrator, c/o Gilardi & Co. LLC, P.O. Box 30255, College Station, TX 77842-3255 or online at www.thirdavenuefundsettlement.com **no later than** _____, **2017**, establishing that you are entitled to a recovery.

You will be bound by any judgment rendered in the Action unless you request to be excluded, in writing, such that it is **postmarked no later than** _____, **2017** in accordance with the instructions in the detailed Notice, referred to above. If you submit a valid and timely request for exclusion, you cannot share in the settlement money, cannot object to the Settlement, and will not be bound by the Settlement or the Court’s rulings.

Any objection to any aspect of the Settlement, the Plan of Allocation and/or Lead Counsel’s motion for an award of attorneys’ fees and expenses must comply with the requirements stated in the Notice and must be filed with the Clerk of the Court at the United States District Court, Southern District of New York, Daniel Patrick Moynihan United States Courthouse, 500 Pearl Street, New York, NY 10007, no later than _____, 2017, and **received** by the following no later than _____, 2017:

ROBBINS GELLER RUDMAN
& DOWD LLP
Jeffrey D. Light
655 West Broadway, Suite 1900
San Diego, CA 92101

ROPES & GRAY LLP
Robert A. Skinner
Prudential Tower
800 Boylston Street
Boston, MA 02199

PLEASE DO NOT CONTACT THE COURT OR THE CLERK'S OFFICE REGARDING THIS NOTICE. If you have any questions about the Settlement or the Action, you may contact Lead Counsel at the address listed above or Rick Nelson, a representative of Lead Counsel at 1-800-449-4900.

DATED: _____, 2017

BY ORDER OF THE COURT
UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

EXHIBIT B

This matter came before the Court pursuant to the Order Preliminarily Approving Settlement and Providing for Notice (“Order”) dated _____, 2017, on the application of the Settling Parties for approval of the Settlement set forth in the Stipulation of Settlement dated as of March 31, 2017 (the “Stipulation” or “Settlement”). Due and adequate notice having been given to the Class as required in said Order, and the Court having considered all papers filed and proceedings had herein and otherwise being fully informed in the premises and good cause appearing therefore, IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that:

1. This Order incorporates by reference the definitions in the Stipulation, and all capitalized terms used herein shall have the same meanings as set forth in the Stipulation, unless otherwise set forth herein.

2. The Court has jurisdiction over the subject matter of this Action, the Plaintiffs, all other Class Members, and Defendants.

3. The Court finds, for the purposes of the Settlement only, that the prerequisites for a class action under Rules 23(a) and (b)(3) of the Federal Rules of Civil Procedure have been satisfied in that: (a) the number of Class Members is so numerous that joinder of all members is impracticable; (b) one or more questions of law and fact are common to the Class; (c) the claims of the Plaintiffs are typical of the claims of the Class they seek to represent; (d) Plaintiffs and Lead Counsel have been and are capable of fairly and adequately representing the interests of the Class, in that (i) Plaintiffs’ interests have been and are consistent with those of the other Class Members, (ii) Lead Counsel has been and is able and qualified to represent the Class, and (iii) Plaintiffs and Lead Counsel have fairly and adequately represented the Class Members in prosecuting this Action and in negotiating and entering into the proposed Settlement; (e) the questions of law and fact common to the members of the Class predominate over any questions affecting only individual Class Members;

and (f) a class action is superior to other available methods for the fair and efficient adjudication of the controversy.

4. Pursuant to Rules 23(a) and (b)(3) of the Federal Rules of Civil Procedure and for purposes of the Settlement only, this Court hereby finally certifies this action as a class action. Excluded from the Class are Defendants, employees, officers and directors of the Defendant entities, members of the immediate families of each of the Individual Defendants, the estates of the deceased Individual Defendants, any Person in which any Defendant has a controlling interest, and, as to such excluded Person, the legal and personal representatives, agents, assigns and heirs, successors, or assigns of any such excluded Person. Also excluded from the Class are Class Members who timely and validly exclude themselves from the Class as listed on Exhibit 1 annexed hereto.

5. Notice of the pendency of this Action as a class action and of the proposed Settlement was given to all Class Members who could be identified with reasonable effort. The form and method of notifying the Class of the pendency of this Action as a class action and of the terms and conditions of the proposed Settlement met the requirements of Rule 23 of the Federal Rules of Civil Procedure, Section 27 of the Securities Act of 1933, 15 U.S.C. §77z-1(a)(7), as amended by the Private Securities Litigation Reform Act of 1995 (the “PSLRA”), due process, and any other applicable law, constituted the best notice practicable under the circumstances, and constituted due and sufficient notice to all individuals and entities entitled thereto.

6. The Court finds that the proposed Settlement resulted from serious, informed, non-collusive negotiations conducted at arm’s length by experienced and competent counsel for the Settling Parties and their counsel – with the assistance of an experienced mediator – and was entered into in good faith. Accordingly, the Settlement as set forth in the Stipulation is hereby fully and finally approved as fair, reasonable, and adequate, consistent and in full compliance with all

applicable requirements of the Federal Rules of Civil Procedure, the PSLRA, and the Rules of the Court.

7. Subject to the terms and provisions of the Stipulation and the conditions therein being satisfied, the Settling Parties are directed to consummate the Settlement.

8. The Action is hereby dismissed in its entirety with prejudice and without costs except as provided for in the Stipulation.

9. The releases as set forth in §§11.1-11.5 of the Stipulation (the “Releases”), together with the definitions contained in §§1.23-1.27, 1.31 relating thereto are expressly incorporated herein in all respects. The Releases are effective as of the Effective Date

10. Upon the Effective Date, the following persons (the “Released Persons”), whether or not each or all of the following Persons were named, served with process, or appeared in the Action, will be fully and finally released and discharged with respect to the Released Plaintiffs’ Claims (as defined below): (a) Defendants and the Fund; (b) for each and all of the Persons identified in the foregoing clause of this paragraph, any and all of their respective past or present trusts, foundations, investors, insurers, reinsurers, partnerships, general or limited partners or partnerships, joint ventures, member firms, limited-liability companies, corporations, parents, controlling persons, subsidiaries, divisions, direct or indirect affiliates, associated entities, stockholders, members, managing members, managing agents, financial or investment advisors, advisors, consultants, investment bankers, entities providing any fairness opinion, underwriters, brokers, dealers, lenders, commercial bankers, attorneys in fact, counsel, accountants and associates that are not natural persons; (c) for each and all of the Persons identified in the foregoing clauses of this paragraph that are not natural persons, any and all of their respective past or present trustees, agents, employees, fiduciaries, partners, controlling persons, principals, officers, managers, directors, managing

directors, members, managing members, managing agents, financial or investment advisors, advisors, consultants, brokers, dealers, lenders, attorneys in fact, counsel, accountants, and associates who are natural persons; (d) for each and all of the Persons identified in the foregoing clauses of this paragraph that are not natural persons, their respective successors and assigns; and (e) for each and all of the Persons identified in the foregoing clauses of this paragraph who are natural persons, any and all of their past or present family members or spouses, and the heirs, executors, estates, administrators, personal or legal representatives, assigns, beneficiaries, and distributees of any of the foregoing.

11. Upon the Effective Date, the following claims (the “Released Plaintiffs’ Claims”) will be released with respect to the Released Persons: all actions, claims, debts, demands, causes of action and rights and liabilities whatsoever (including, but not limited to, any claims for damages, interest, attorneys’ fees, expert, or consulting fees and any other costs, expenses, or liability whatsoever), against Defendants and the Released Persons, belonging to Plaintiffs and/or any or all Class Members or any Person acting on their behalf, including their present or past heirs, executors, estates, administrators, predecessors, successors, assigns, parents, subsidiaries, associates, affiliates, employers, employees, agents, insurers, reinsurers, directors, managing directors, officers, partners, principals, members, managing members, attorneys, financial and other advisors, investment bankers, underwriters, lenders, and any other representatives of any of these persons and entities (the “Releasing Plaintiffs”), whether direct, derivative, representative or in any other capacity, arising under federal, state, local or foreign, statutory or common law or any other law, rule or regulation, concerning both known claims and Unknown Claims, that: (a) have been asserted in the Action (including all claims alleged in any complaint filed in the Action or in any action consolidated into it) against any of the Released Persons; or (b) could have been or could be asserted in any forum by

or on behalf of the Class Members or any of them against any of the Released Persons, if such claims or Unknown Claims (i) relate to the allegations, transactions, facts, matters, breaches, occurrences, financial statements, statements, representations or omissions involved, set forth, or referred to in the Action and (ii) relate to the purchase of Fund shares during the Class Period (including any decision to hold or retain such Fund shares).

12. Upon the Effective Date, the following claims (the “Released Defendants’ Claims”) will be released with respect to Plaintiffs, Lead Counsel, any other counsel for Plaintiffs in the Action, and all members of the Class and their counsel: any and all actions, claims, debts, demands, causes of action and rights and liabilities whatsoever (including, but not limited to, any claims for damages, interest, attorneys’ fees, expert or consulting fees, and any other costs, expenses, or liability whatsoever), whether based on federal, state, local, or foreign statutory, or common law or any other law, rule, or regulation, concerning both known claims and Unknown Claims, that have been or could have been asserted in the Action or any forum by Defendants, or the heirs, successors, and assigns of any of them against Plaintiffs, Lead Counsel, any of the Class Members or their attorneys, arising out of or relating to the institution, prosecution, or settlement of the Action.

13. The Releases do not include claims (a) to enforce this Order and the Judgment and the Settlement, and any or all of their terms, including, but not limited to, the releases provided for in this Order, (b) for breach or violation of any of the terms of this Stipulation or the orders or judgments issued by the Court in connection with the Settlement, (c) any claims in the Delaware Derivative Action, or (d) belonging to Defendants against their insurers or any other person not a party hereto.

14. Plaintiffs and all Class Members and anyone acting on their behalf are permanently enjoined from filing, commencing, prosecuting, or intervening in any other lawsuit or arbitration or

administrative, regulatory or other proceeding, in any jurisdiction or forum any Released Plaintiffs' Claims against any Released Person.

15. To the extent authorized by §11 of the Securities Act of 1933, and in accordance with 15 U.S.C. §78u-4(f)(7)(A), any and all Claims for contribution arising out of any Released Plaintiffs' Claim (i) by any person or entity against any of the Defendants and (ii) by any of the Defendants against any person or entity other than as set out in 15 U.S.C. §78u-4(f)(7)(A)(ii) are hereby permanently barred, extinguished, discharged, satisfied, and unenforceable. Accordingly, without limitation to any of the above, (i) any person or entity is hereby permanently enjoined from commencing, prosecuting, or asserting against any of the Defendants any such Claim for contribution, and (ii) the Defendants are hereby permanently enjoined from commencing, prosecuting, or asserting against any person or entity any such Claim for contribution. In accordance with 15 U.S.C. §78u-4(f)(7)(B), any final verdict or judgment that might be obtained by or on behalf of the Class or a Class Member against any person or entity for loss for which such person or entity and any Defendants are found to be jointly liable shall be reduced by the greater of (i) an amount that corresponds to Defendants' percentage of responsibility for the loss to the Class or Class Member or (ii) either (a) the Settlement Amount, in the case of the Class, or (b) that portion of the Settlement Amount applicable to the Class Member, in the case of a Class Member, unless the court entering such judgment orders otherwise.

16. To effectuate the Settlement, the Court hereby enters the following Complete Bar:

(a) Any and all persons and entities are permanently barred, enjoined, and restrained from commencing, prosecuting, or asserting any Claim against any Released Person arising under any federal, state, or foreign statutory or common-law rule, however styled, whether for indemnification or contribution or otherwise denominated, including Claims for breach of

contract or for misrepresentation, where the Claim is or arises from a Released Plaintiffs' Claim and the alleged injury to such person or entity arises from that person's or entity's alleged liability to the Class or any Class Member, including any Claim in which a person or entity seeks to recover from any of the Released Persons (i) any amounts that such person or entity has or might become liable to pay to the Class or any Class Member and/or (ii) any costs, expenses, or attorneys' fees from defending any Claim by the Class or any Class Member. All such Claims are hereby extinguished, discharged, satisfied, and unenforceable, subject to a hearing to be held by the Court, if necessary. The provisions of this subparagraph are intended to preclude any liability of any of the Released Persons to any person or entity for indemnification, contribution, or otherwise on any Claim that is or arises from a Released Plaintiffs' Claim and where the alleged injury to such person or entity arises from that person's or entity's alleged liability to the Class or any Class Member; *provided, however*, that if the Class or any Class Member obtains any judgment against any such person or entity based upon, arising out of, or relating to any Released Plaintiffs' Claim for which such person or entity and any of the Released Persons are found to be jointly liable, that person or entity shall be entitled to a judgment credit equal to an amount that is the greater of (i) an amount that corresponds to such Released Person's or Released Persons' percentage of responsibility for the loss to the Class or Class Member or (ii) either (a) the Settlement Amount, in the case of the Class, or (b) that portion of the Settlement Amount applicable to the Class Member, in the case of a Class Member, unless the court entering such judgment orders otherwise.

(b) Each and every Released Person is permanently barred, enjoined, and restrained from commencing, prosecuting, or asserting any Claim against any other person or entity (including any other Released Person) arising under any federal, state, or foreign statutory or common-law rule, however styled, whether for indemnification or contribution or otherwise

denominated, including Claims for breach of contract and for misrepresentation, where the Claim is or arises from a Released Plaintiffs' Claim and the alleged injury to such Released Person arises from that Released Person's alleged liability to the Class or any Class Member, including any Claim in which any Released Person seeks to recover from any person or entity (including another Released Person) (i) any amounts that any such Released Person has or might become liable to pay to the Class or any Class Member and/or (ii) any costs, expenses, or attorneys' fees from defending any Claim by the Class or any Class Member. All such Claims are hereby extinguished, discharged, satisfied, and unenforceable.

(c) Notwithstanding anything stated in the Complete Bar, if any person or entity (for purposes of this subparagraph, a "petitioner") commences against any of the Released Persons any action either (i) asserting a Claim that is or arises from a Released Plaintiffs' Claim and where the alleged injury to such petitioner arises from that petitioner's alleged liability to the Class or any Class Member or (ii) seeking contribution or indemnity for any liability or expenses incurred in connection with any such Claim, and if such action or Claim is not barred by a court pursuant to this paragraph or is otherwise not barred by the Complete Bar, neither the Complete Bar nor the Stipulation shall bar Claims by that Released Person against (a) such petitioner, (b) any person or entity who is or was controlled by, controlling, or under common control with the petitioner, whose assets or estate are or were controlled, represented, or administered by the petitioner, or as to whose Claims the petitioner has succeeded, and (c) any person or entity that participated with any of the preceding persons or entities described in items (a) and (b) of this subparagraph in connection with the assertion of the Claim brought against the Released Person(s); ***provided, however***, that nothing in the Complete Bar Order or Stipulation shall prevent the Settling Parties from taking such steps as are necessary to enforce the terms of the Stipulation.

(d) If any term of the Complete Bar entered by the Court is held to be unenforceable after the date of entry, such provision shall be substituted with such other provision as may be necessary to afford all of the Released Persons the fullest protection permitted by law from any Claim that is based upon, arises out of, or relates to any Released Plaintiffs' Claim.

(e) Notwithstanding the Complete Bar or anything else in the Stipulation, nothing shall release, interfere with, limit, or bar the assertion by any Released Person of (i) any Claim or right for insurance coverage under any insurance, reinsurance, or indemnity policy, (ii) any statutory, by-law, trust instrument, or contractual right to indemnification or advancement as against any other Released Person, or (iii) any statutory, by-law, trust instrument, common-law, or contractual right or claim as against any other Released Person concerning matters other than indemnification, contribution, or advancement.

17. This Order, the Judgment, the Stipulation, the offer of the Settlement, and compliance with the Court's orders or the Stipulation shall not constitute or be construed as an admission by any of the Released Persons of any wrongdoing or liability, or as an admission by Plaintiffs of any weaknesses in their claims. This Order, the Judgment, and the Stipulation are to be construed solely as a reflection of the Settling Parties' desire to facilitate a resolution of the claims in the Action and of the Released Plaintiffs' Claims and the Released Defendants' Claims.

18. The fact and terms of the Stipulation, including Exhibits, all negotiations, discussions, drafts, and proceedings in connection with the Settlement, and any act performed or document signed in connection with the Settlement, shall not be offered or received in evidence or used for any other purpose in this or any other proceeding in any court, administrative agency, arbitration forum, or other tribunal, except as necessary to enforce the terms of the Settlement, including, but not limited to, the Preliminary Approval Order, the Notice, this Order and the Judgment, and the releases

provided for in this Order and the Judgment. Defendants and any Released Persons may file the Stipulation, the Preliminary Approval Order, the Notice, this Order and the Judgment in any other action or proceeding that may be brought against them in any forum in order to support a defense or counterclaim based on principles of *res judicata*, collateral estoppel, release and discharge, good faith settlement, judgment bar or reduction, or any theory of claim preclusion or issue preclusion or similar defense or counterclaim.

19. The Court finds that Defendants have satisfied their financial obligations under the Stipulation by paying Fourteen Million Two Hundred and Fifty Thousand Dollars (\$14,250,000) (the “Settlement Amount”) to the Settlement Fund.

20. The Court finds and concludes, pursuant to Section 27 of the Securities Act of 1933, as amended by PSLRA, 15 U.S.C. §77z-1(c)(1), that the Plaintiffs, Lead Counsel, Defendants and counsel to the Defendants have complied with each requirement of Rule 11(b) of the Federal Rules of Civil Procedure as to any complaint, responsive pleading or dispositive motion.

21. The Court retains continuing and exclusive jurisdiction over Defendants, Plaintiffs and all other Class Members for all matters relating to the administration, interpretation, effectuation or enforcement of the Stipulation and this Order and the Judgment, including any application for fees and expenses incurred in connection with administering and distributing the settlement proceeds to the members of the Class.

22. In the event that the Settlement does not become Effective in accordance with the terms of the Stipulation, or is terminated pursuant to ¶10.4 of the Stipulation, ¶3.8 of the Stipulation shall apply and this Order and the Judgment shall be rendered null and void to the extent provided by and in accordance with the Stipulation and shall be vacated and may not be introduced as evidence

or reflected in any action or proceedings by any person or entity, and each party shall be restored to his, her or its respective position as it existed prior to January 30, 2017.

23. Without further order of the Court, the parties may agree to reasonable extensions of time to carry out any of the provisions of the Stipulation provided that any such extensions are not materially inconsistent with this Order and do not materially limit the rights of Class Members under the Stipulation.

24. The Defendants have provided notification to all appropriate federal and state officials regarding the Settlement as required by 28 U.S.C. §1715.

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

DATED: _____

THE HONORABLE P. KEVIN CASTEL
UNITED STATES DISTRICT JUDGE

EXHIBIT C

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

_____	X	
In re THIRD AVENUE MANAGEMENT	:	Civil Action No. 1:16-cv-02758-PKC
LLC SECURITIES LITIGATION	:	
_____	:	<u>CLASS ACTION</u>
	:	
This Document Relates To:	:	JUDGMENT
	:	
ALL ACTIONS.	:	EXHIBIT C
_____	X	

In accordance with the Court's _____, 201_ Order Approving Class Action Settlement, judgment is hereby entered.

DATED: New York, NY

BY:

_____, 201_

CLERK OF COURT