

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK

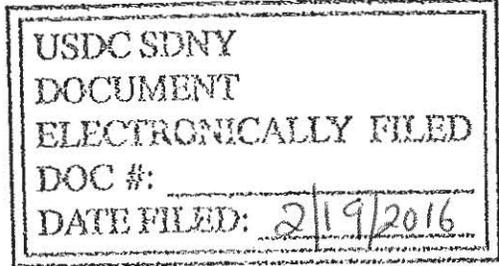
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:  
IN RE PUDA COAL SECURITIES INC., :  
et al. LITIGATION :  
:  
This document relates to: ALL ACTIONS. :  
:  
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11cv2598 (DLC)  
and all member and  
related cases

ORDER

SECURITIES AND EXCHANGE COMMISSION, :  
:  
Plaintiff, :  
-v- :  
MAQUARIE CAPITAL (USA) INC., ET AL., :  
Defendants. :  
----- X

15cv2304 (DLC)



DENISE COTE, District Judge:

On February 17, 2016, the parties in the above captioned actions submitted comments in response to the Court's February 10, 2016 revised Joint Notice. The class action plaintiffs also provided a set of proposed deadlines for their three proposed settlements. Accordingly, it is hereby

ORDERED that the final Joint Notice attached hereto is approved for the three class action settlements and for the Macquarie Capital Fair Fund. This final Joint Notice supersedes and replaces any other Joint Notice currently filed in the above captioned actions. The Court shall provide a digital Microsoft Word copy of the final Joint Notice to the parties by email.

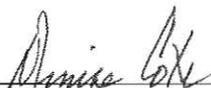
IT IS FURTHER ORDERED that the revised Summary Notice attached hereto is approved for the three class action settlements. This revised Summary Notice supersedes and replaces any other Summary Notice currently filed in the above captioned class action. The Court shall provide a digital Microsoft Word copy of the revised Summary Notice to the parties by email.

IT IS FURTHER ORDERED that the following deadlines will apply to the class action settlements. These dates supersede and replace the deadlines stated in the Orders preliminarily approving the three class action settlements. The parties shall insert these dates, where appropriate, into the Joint Notice and Summary Notice.

| <u>Event</u>  | <u>Deadline</u> |
|---|-----------------|
| 1) Mailing of Notice and Proof of Claim and Release   | March 9, 2016   |
| 2) Posting of Notice, Summary Notice, Proof of Claim, and Stipulations of Settlement on Co-Lead Counsel's website and Claims Administrator Settlement Website | March 14, 2016  |
| 3) Publication of Summary Notice  | March 23, 2016  |
| 4) Deadline for filing Proofs of Claim for the Class Action Settlements and Fair Fund   | May 13, 2016    |
| 5) Filing deadline for requests for exclusion   | May 13, 2016    |

|  |                          |
|--|--------------------------|
| 6) Filing deadline for objections  | May 13, 2016             |
| 7) Date for Class Action Plaintiffs to file and serve papers in support of the Settlements, the Plan of Allocation, attorneys' fees and reimbursement of expenses, and Reimbursement Award | May 27, 2016             |
| 8) Date for Class Action Plaintiffs to serve on Settling Defendants and file with the Court proof of mailing and publication of Notice   | May 27, 2016             |
| 9) Date of Fairness Hearing  | June 17, 2016 at 11:00am |

Dated: New York, New York  
February 19, 2016

  
 \_\_\_\_\_  
 DENISE COTE  
 United States District Judge



II. If you purchased Puda Coal common stock, purchased Puda Coal call options, or sold Puda Coal put options during the period December 8, 2010 through and including April 11, 2011, you may be eligible to receive a payment from the Class Action Settlements, even if you did not purchase Puda Coal common stock in the Secondary Offering.

On the following pages is important information regarding your eligibility to a recovery from the Fair Fund and/or the Class Action Settlements and instructions for submitting a Claim Form for each distribution.

### **The Differences Between the Two Proceedings**

The Class Action Settlements compensate those who purchased Puda Coal common stock, purchased Puda Coal call options, or sold Puda Coal put options during the period December 8, 2010 through and including April 11, 2011. The Fair Fund distribution only compensates those who purchased Puda Coal common stock in the Secondary Offering. Note that even if you decide to “opt-out” of participating in the Class Action Settlements, you may still participate in the Fair Fund if you submit a Claim Form.

### **Filing a Claim for One or Both of the Proceedings**

There are separate Proofs of Claim for each proceeding. **You do not need to file your trade documentation twice but you do need to file two claims if you want to participate in both distributions.** The Proof of Claim Forms have been included with this Joint Notice as Exhibits C and D. Please be sure to provide your complete name and mailing address on the Proof of Claim.

There are eligibility rules that apply to each distribution. The rules are described in the respective Distribution Plans and Plans of Allocation, which can be found at [www.pudacoalfund.com](http://www.pudacoalfund.com). If you have any questions, please contact Epiq Class Action & Claims Solutions, Inc. (“Epiq” or “Distribution Agent/Administrator”) at the email address or telephone number listed at the bottom of each page of this Joint Notice. Copies of important documents relating to the Fair Fund and the Class Action Settlements are also available on the website, [www.pudacoalfund.com](http://www.pudacoalfund.com).

**All Proofs of Claim must be signed and submitted to the address provided below, postmarked no later than \_\_\_\_\_. Claims postmarked after \_\_\_\_\_ will not be eligible to participate in the distribution of the Fair Fund or the Class Action Settlements.**

**Macquarie Capital Fair Fund / Puda Coal Securities Litigation**  
**PO Box 2838**  
**Portland, OR 97208-2838**

### **The Deadlines**

| <b>Fair Fund</b>         |                | <b>Class Action Settlements</b> |                |
|--------------------------|----------------|---------------------------------|----------------|
| Deadline to File a Claim | Month XX, 2016 | Deadline to File a Claim        | Month XX, 2016 |

Questions? Visit [www.pudacoalfund.com](http://www.pudacoalfund.com), email [info@pudacoalfund.com](mailto:info@pudacoalfund.com) or call 877-276-7324

## **Background to the Fair Fund and Class Action Settlements**

The Fair Fund and the Class Action Settlements arise out of the following events. Puda Coal's former Chairman Ming Zhao ("Zhao") is accused of executing a fraudulent scheme in 2009 by transferring Puda Coal's 90% ownership interest in its primary operating subsidiary, Shanxi Puda Coal, to himself, rendering Puda Coal an empty shell. Subsequently, Puda Coal concealed the transfer and represented to investors that it continued to own Shanxi Puda Coal. The unlawful transfer was publicly revealed in April 2011.

Puda Coal is a U.S. issuer of securities. It engaged in a \$108 million Secondary Offering on December 8, 2010. Macquarie Capital (USA) Inc. ("Macquarie") and Brean Murray, Carret & Co. ("Brean") (together, the "Underwriters") served as Underwriters for the Secondary Offering. Lawrence S. Wizel and C. Mark Tang (the "U.S. Directors") were serving as the U.S. Directors for Puda Coal. An investigative report prepared for Macquarie during the due diligence it conducted for the Secondary Offering uncovered the fact that Puda Coal no longer owned Shanxi Puda Coal. Despite that report, the Offering Documents for the Secondary Offering continued to describe Shanxi Puda Coal as owned by Puda Coal.

As a result of a Securities and Exchange Commission ("SEC") investigation of Puda Coal and the Secondary Offering, Macquarie agreed to pay \$15,000,000 into the Fair Fund and to pay the costs of administering the Fair Fund distribution. The Fair Fund is to be distributed to Puda Coal investors harmed as a result of purchasing Puda stock in the Secondary Offering.

The SEC has also sued Zhao and Liping Zhu ("Zhu"), Puda Coal's CEO. Default judgments have been entered against both of these individual defendants; neither one of the individual defendants thus far has paid any of the amounts ordered to be paid.

The Class Action complaint asserts securities law claims against Puda Coal, Zhao, Macquarie, Brean, the U.S. Directors, Moore Stephens Hong Kong and Moore Stephens, P.C. (the "Auditor Defendants"), and three additional Puda Coal Officers. The parties participating in the Class Action have engaged in extensive discovery of the facts underlying the Class's claims and expert discovery. In settlement of the Class Action, Macquarie has agreed to pay \$7.4 million; Brean has agreed to pay \$1.2 million, and the U.S. Directors have agreed to pay \$100,000 and assign certain claims against their insurance company, PICC. These Class Action Settlements collectively provide a fund of \$8.7 million.

In the Class Action, the Court has entered defaults against Puda Coal and Zhao, dismissed the claims against the Auditor Defendants on summary judgment, and dismissed the claims against the three additional Puda Coal Officers because they reside in China and could not be found and served with the complaint. The Class Action Plaintiffs are appealing the dismissal of the claims against the Auditor Defendants.

## **Who Is Eligible to Participate in the Fair Fund?**

Any person or entity that purchased Puda Coal common stock in the Secondary Offering, and held any of those Secondary Offering shares through the close of trading on April 7, 2011, may be eligible for compensation from the Fair Fund subject to certain eligibility limitations described in the Distribution Plan. You must file a claim in the Fair Fund distribution if you want to participate in the Fair Fund distribution.

If you did not purchase shares of Puda Coal in the Secondary Offering you are not eligible for compensation from the Fair Fund, but you may still be eligible to receive compensation from the Class Action Settlements.

### **Who Is Eligible to Participate in the Class Action Settlements?**

The Court has preliminarily certified in the Class Action a Settlement Class that consists of those persons or entities that purchased Puda common stock or call options or sold Puda put options during the period from December 8, 2010 through and including April 11, 2011 (the "Settlement Class Period").

If you are eligible to receive compensation from both the Fair Fund and the Class Action Settlements, your Recognized Loss, as calculated by the rules that govern the distributions of the Class Action Settlements, will be reduced by the amount of money you receive from the Fair Fund.

You must file a claim in each distribution if you want to participate; therefore, you must file a claim in both distributions if you wish to participate in both the Fair Fund and Class Action Settlements.

### **How Much Will My Payment Be?**

For complete information on how payments will be calculated for those who file Claim Forms, please review the Plans of Allocation for the Fair Fund and for the Class Action. The Plan of Allocation for the Fair Fund is attached as Exhibit A to this Joint Notice and the Plan of Allocation for the Class Action Settlements is attached as Exhibit B to this Joint Notice. Both the Fair Fund and the Class Action Plans of Allocation are also available on the website, [www.pudacoalfund.com](http://www.pudacoalfund.com). The amount of compensation will vary based on the exact dates of transactions in Puda Coal common stock during the relevant period, the number of shares of Puda Coal common stock purchased in the Secondary Offering and held, and the total dollar value of eligible claims submitted to the Fair Fund and the Class Action Settlements. Distribution payments shall only be made to Eligible Claimants whose total payment for a claim exceeds \$10.00.

### **Other Information**

*This is not a solicitation from a lawyer.* Section 21(d)(4) of the Securities Exchange Act of 1934 ("Exchange Act") prohibits the use of funds disgorged in an action brought by the SEC "as payment for attorneys' fees or expenses incurred by private parties seeking distribution of the disgorged funds."

#### **Special Notice to Securities Brokers and Other Nominees:**

If you purchased Puda Coal common stock or call options, or sold Puda Coal put options during the period from December 8, 2010 through and including April 11, 2011, for the beneficial interest of an individual or entity other than yourself, then within TEN (10) DAYS OF YOUR RECEIPT OF THIS JOINT NOTICE, you must either:

1. Provide to Epiq the name and last known address of each individual or entity for whom or which you purchased/held the eligible securities during such time period; or

Questions? Visit [www.pudacoalfund.com](http://www.pudacoalfund.com), email [info@pudacoalfund.com](mailto:info@pudacoalfund.com) or call 877-276-7324

2. Request additional copies of this Joint Notice Packet, and within 10 days, mail the Joint Notice Packet to the beneficial owners of the eligible securities.

You are entitled to reimbursement for your reasonable expenses actually incurred in providing notice, provided an invoice is timely submitted to Epiq. All communications concerning the foregoing should be addressed to Epiq at the address below:

**Macquarie Capital Fair Fund / Puda Coal Securities Litigation**  
**PO Box 2838**  
**Portland, OR 97208-2838**  
**Telephone: 877-276-7324**  
**Email: [info@pudacoalfund.com](mailto:info@pudacoalfund.com)**

### **ADDITIONAL NOTICE OF CLASS ACTION SETTLEMENTS**

The Lead Plaintiffs in the Class Action are Salomón Querub, Howard Pritchard and Hotel Ventures LLC (“Lead Plaintiffs”).<sup>2</sup> The Court in charge of this case still has to decide whether to approve each of the Settlements, which will be considered independently of one another. The portion of the Settlement Fund attributable to each defendant’s payment will be available for distribution to the Settlement Class only if the settlement is approved as to that specific defendant, and that approval is upheld following any appeals.

| <b>YOUR LEGAL RIGHTS AND OPTIONS IN THE CLASS ACTION SETTLEMENTS</b>       |   |
|--|---|
| Submit a Claim Form<br>No Later than ____.                                 | This is the only way to get a payment from any of the proposed Settlements. A copy of the Claim Form is enclosed, and is also available at <a href="http://www.pudacoalfund.com">www.pudacoalfund.com</a> .     |
| Exclude Yourself from<br>any of the Settlements<br>no later than<br>_____. | Get no payment from the Settlement(s) that you have excluded yourself from. This is the only option that allows you to be part of any other lawsuit against the defendants about the legal claims in this case. |
| Object to one or more of<br>the Settlements no later<br>than _____.        | Write to the Court about why you do not like any of the Settlements.  |
| Attend the Hearing on<br>_____.  | Speak in Court about the fairness of the Settlements.   |

<sup>2</sup> For purposes of this Notice, “Plaintiffs” means, collectively, Steven Weissmann and Trellus Management Company LLC (the “Additional Named Plaintiffs”) and Lead Plaintiffs.

|             |  |
|-------------|--|
| Do Nothing. | Receive no payment, give up your rights and be bound by the Settlements and judgments that will be entered by the Court. |
|-------------|--|

Even if you fall within the Settlement Class definition, you are not a member of the Settlement Class if you: (a) are one of the Defendants; (b) were a partner, executive officer, director, controlling person, subsidiary, or affiliate of any Defendant during the Settlement Class Period; (c) are a member of any Defendant's immediate family; (d) a Person in which any Defendant has a Controlling Interest; and/or (e) are a legal representative, heir, estate, administrator, predecessor, successor or assign of any of the foregoing Excluded Persons. Also excluded from the Settlement Class is any Person that files a valid and timely request for exclusion in accordance with the requirements set forth in this Joint Notice.

Plaintiffs' financial experts have opined that the recoverable damages on behalf of all Class Members against the Settling Defendants collectively range between a minimum of \$52.9 million and as much as \$92.2 million. Each of the Settling Defendants disputes the existence of any damages.

Each of the Settling Defendants is entering into their Settlement to avoid the substantial burden, expense and uncertainty inherent in complex securities cases. All are entering into their Settlement without admitting any liability to the Class Action Plaintiffs or the other Settlement Class Members. The Settling Parties disagree on, among other things: (a) the amount of inflation in the securities' prices, if any, caused by the alleged misrepresentations and omissions; and (b) the percent of responsibility, if any, of each of the Settling Defendants.

The claims in the Class Action involve numerous complex legal and factual issues, many of which require expert testimony. The Class Action Plaintiffs recommend acceptance of the Settlements since the Settlements eliminate litigation risk and guarantee some recovery to Settlement Class Members in addition to the compensation provided by the Fair Fund.

This Notice does not express any opinion by the Court concerning the merits of the claims and defenses of the parties to the Class Action.

### **How Much Will Be Distributed to Investors from the Class Action Settlements?**

If the Class Action Settlements are approved by the Court, after certain deductions (including the costs of notice and administration, taxes, any attorneys' fees and litigation expenses, as well the amount of any Reimbursement Award to the Class Action Plaintiffs granted by the Court), the balance of the Settlement Fund, plus accrued interest, will be distributed to eligible members of the Settlement Class who have timely submitted a Claim Form (the "Net Settlement Fund"). If only one or more of the Settlements is approved, then the Settlement Fund will consist only of the amount paid for the Settlement(s) approved.

Your share of the Net Settlement Fund will depend on several factors, including: how many Settlement Class Members submit valid Claim Forms; the total Recognized Losses represented by the valid Claim Forms; the

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number of shares of Puda common stock or call options that you purchased or put options that you sold during the Settlement Class Period; how much you paid for the shares; when you purchased; and if you sold your shares and, if so, for how much. The method by which the Claims Administrator will determine your share of the Net Settlement Fund is described in Exhibit B. Defendants are not entitled to get back any portion of the Settlement Fund if and when their Settlement becomes effective.

Plaintiffs' damages expert has opined that approximately 12.7 million shares of Puda common stock have been damaged as a result of the allegedly wrongful conduct. Thus, assuming that the owners of all affected shares elect to participate, the average per share recovery from the combined Settlement Fund would be approximately \$0.68 per damaged share. After payment of the requested legal fees, expenses and Reimbursement Awards, the Settlement Fund would be approximately \$0.31 per damaged share. Option traders should review the Plan of Distribution, set out in Exhibit B, for their personal recovery.

### **What Rights Are Being Compromised as Against the Class Action Settling Defendants?**

Unless you exclude yourself from a Settlement, you will remain in the Settlement Class for that Settlement. That means that you and all other Settling Class Members will release (agreeing never to sue, continue to sue, or be part of any other lawsuit) against that defendant as well as their current, former, or future affiliates for, among other things, any claims arising from or concerning your purchase, sale or ownership of Puda Securities.

A complete description of the releases provided for in each of the Settlements, including the claims being released and the persons and entities who are being released, is set forth in the separate Stipulations of Settlement which are available for you to review at [www.pudacoalfund.com](http://www.pudacoalfund.com).

If you sign the Claim Form, you are agreeing to a release of the claims identified in the separate Stipulations of Settlement. That means you will accept a share in the Net Settlement Fund as sole compensation for any losses you have suffered in the acquisition and sale of Puda securities (supplemented only by any funds you may be entitled to receive from the Fair Fund).

If a settlement is approved, the Class Action will be dismissed against the defendant(s) for all time.

### **Excluding Yourself from the Class Action Settlements**

To exclude yourself from one or more of the Settlements, you must send a request for exclusion by mail to the Claims Administrator saying that you want to be excluded from one or more of the Settlements reached in *In re Puda Coal Securities Inc. et al. Litigation*. You **must** include: (a) your name, address, telephone number; (b) your Social Security Number or Taxpayer Identification Number; (c) the number of Puda common shares, call options or put options purchased or otherwise acquired, or disposed of during the Settlement Class Period; (d) the dates of each such purchase or acquisition of each Puda common share and the price or other consideration paid for each such share; (e) the date of each such sale or other disposal of any Puda common shares (or put/call options) during the Settlement Class Period and the price or other consideration received for each such share; and (f) the number of Puda shares held at the close of trading on December 7, 2010 (i.e., immediately before the

commencement of the Class Period). You must state clearly that you are seeking to be excluded and identify the Settlement(s) for which you are seeking exclusion. Any request for exclusion must also be signed by the Person requesting exclusion. Your exclusion request must be *received* no later than \_\_\_\_\_. Mail your request to both of the following:

Lionel Z. Glancy  
Glancy Prongay & Murray LLP  
1925 Century Park East, Ste. 2100  
Los Angeles, CA 90067

Puda Coal Securities Litigation  
PO Box 2838  
Portland, OR 97208-2838

You cannot exclude yourself by telephone or by e-mail. If you do not exclude yourself in the manner described above, you will be bound by all of the orders and judgments entered by the Court regarding the Settlements. You must exclude yourself even if you already have a pending case against the Underwriters or U.S. Directors based on the claims being released, if you wish to be able to continue that case.

If you ask to be excluded from one or more of the Settlements, you will not be eligible to get any payment from that Settlement(s) and you cannot object to that Settlement(s) or the Class Action Plan of Allocation and/or the motion for an award of attorneys' fees or reimbursement of litigation expenses in connection with that Settlement(s).

### **The Lawyers Representing You in the Class Action Settlements**

The Court has appointed the law firms The Rosen Law Firm P.A. and Glancy Prongay & Murray LLP as Plaintiffs' Counsel to represent Plaintiffs and all other Settlement Class Members in the Class Action. If you have any questions about the proposed Class Action Settlements, you may contact Plaintiffs' Counsel using the contact information at the end of this Notice.

If you want to be represented by your own lawyer, you may hire one at your own expense. Such counsel must file a notice of appearance on your behalf.

Plaintiffs' Counsel have not received any payment for their services in pursuing the claims asserted in the Class Action, nor been reimbursed for their out-of-pocket expenses. Lead Plaintiffs intend to request that the Court award Plaintiffs' Counsel attorneys' fees equal to one-third of the Settlement Fund, as well as reimbursement of up to \$2.1 million of out-of-pocket litigation expenses.

In addition, Lead Plaintiffs intend to ask the Court for an award for their work in prosecuting the Class Action in the amount of \$7,500 each (the "Reimbursement Award"). Plaintiffs are also entitled to share in the proceeds of the Net Settlement Fund in the same manner as any other Class Member.

The Court will determine whether these awards are warranted and the amount thereof. Any such payments will be paid out of the Settlement Fund.

Questions? Visit [www.pudacoalfund.com](http://www.pudacoalfund.com), email [info@pudacoalfund.com](mailto:info@pudacoalfund.com) or call 877-276-7324

## **The Hearing Regarding the Class Action Settlements**

A hearing has been scheduled on the proposed Class Action Settlements for \_\_\_\_\_, at \_\_\_\_\_, before the Honorable Denise Cote in the United States District Court for the Southern District of New York, United States Courthouse, 500 Pearl Street, New York, New York 10007 (the "Settlement Hearing"). At the Settlement Hearing, the Court will determine whether: (a) to grant final certification of the Settlement Class solely for purposes of the Settlements; (b) the Macquarie Settlement is fair, reasonable, and adequate; (c) the Brean Settlement is fair, reasonable and adequate; (d) the U.S. Directors Settlement is fair, reasonable and adequate, (e) to award Plaintiffs' Counsel attorneys' fees and reimbursement of litigation expenses; (f) the Plan of Allocation should be adopted; and/or (g) the Reimbursement Award to the Lead Plaintiffs should be granted. The Court can also consider any other matters that it may wish to address. If there are objections, the Court will consider them.

The Court will consider the Brean Settlement, the Macquarie Settlement and the U.S. Directors Settlement independent of, and separately from, each other. Approval of any one or more Settlement is not contingent upon approval of any other Settlement. Thus, you can decide to exclude yourself from, or object to, one or two, or all three of the Settlements. However, the proposed Plan of Allocation is the same for each Settlement and a single application for attorneys' fees and reimbursement of expenses to Plaintiffs' Counsel has been filed covering all of the Settlements.

If the Court approves one or more of the Settlements, payments to eligible claimants will be made after any appeals are resolved, and after completion of claims processing.

Please note that the date of the Settlement Hearing is subject to change without further notice. If you plan to attend the hearing, you should check with Plaintiffs' Counsel to be sure no change to the date and time of the Settlement Hearing has been made.

The Court has the authority to make certain modifications to the Settlements and the Plan of Allocation without further notice to Class Members.

## **How Do I Tell the Court That I Don't Like One or All of the Class Action Settlements?**

If you are a Settlement Class Member and you do not exclude yourself, you can object to any of the Settlements, or any part of them, including the application for attorneys' fees and for reimbursement of litigation expenses, and give reasons why you think the Court should not approve it. Objections must be in writing. To object, you must file a written objection with the Court saying that you object to the proposed Settlement(s), or the specific portion thereof to which you are objecting, in the case captioned, *In re Puda Coal Securities, Inc. Litigation*, No. 11cv2598 (S.D.N.Y.) (DLC).

Your written objection must be sent to both the Court and to Plaintiffs' Counsel and must be received by them no later than \_\_\_\_\_:

Clerk of the U.S. District Court for the Southern District of New York  
Daniel Patrick Moynihan United States Courthouse  
500 Pearl Street  
New York, NY 10007-1312  
Attn. In re Puda Coal Securities Litigation, 11cv2598

Lionel Z. Glancy  
Glancy Prongay & Murray LLP  
1925 Century Park East, Ste. 2100  
Los Angeles, CA 90067  
Attn. In re Puda Coal Securities Litigation, 11cv2598

Counsel for Lead Plaintiffs will forward your objection to the lawyers for the Settling Defendants.

Any objection must include: (a) the full name, address and telephone number of the objecting Settlement Class Member and identify the Settlement(s) to which you are objecting; (b) a list and documentation of all of the Settlement Class Member's transactions involving Puda common stock (or put/call options) during the Settlement Class Period; (c) a written statement of all grounds for the objection; (d) copies of any documents upon which the objection is based; (e) a statement of whether you intend to appear at the Settlement Hearing; (f) a list of other cases in which you or your counsel have appeared either as settlement objectors or as counsel for objectors in the preceding five years; and (g) the objector's signature, even if represented by counsel. If you intend to appear at the Settlement Hearing through counsel, the objection must also state the identity of all attorneys who will appear on your behalf at the Settlement Hearing.

If you submit an objection, you are submitting yourself to the jurisdiction of the Court with respect to the subject matter of the Settlements, including, but not limited to, the releases that will be contained in the final judgments.

Any member of the Settlement Class who does not object in the manner provided above will be deemed to have waived all objections.

### **Do I Have to Come to the Class Action Settlement Hearing?**

No. Class Action Plaintiffs' Counsel will answer any questions the Court might have. But you are welcome to come at your own expense. If you send an objection, you do not have to come to the Court to talk about it. As long as you mailed your written objection so that it was received by the deadline, the Court will consider it when it considers whether to approve the Settlements.

**CONCLUSION**

**Getting More Information About Either the  
Class Action Settlements or About the Fair Fund**

This Joint Notice contains only a summary of the proposed Fair Fund distribution and Class Action Settlements. The complete Fair Fund Distribution Plan and Fair Fund Plan of Allocation approved by the Court are available at [www.pudacoalfund.com](http://www.pudacoalfund.com).

The complete Settlements, including the scope of the claims being released by Class Members who do not opt-out of the Settlements, are set out in the separate Stipulations governing each of the Settlements. You may obtain copies of the Stipulations at [www.pudacoalfund.com](http://www.pudacoalfund.com).

You can also call the Claims Administrator toll free with questions about either the Fair Fund or the Class Action Settlements at 877-276-7324.

With respect to the Class Action Settlements, you may also contact representatives of Class Action Plaintiffs' Counsel: Lionel Z. Glancy, Glancy Prongay & Murray LLP, 1925 Century Park East, Suite 2100, Los Angeles, CA 90067, (T) (310) 201-9150, (F) (310) 432-1495, [info@glancylaw.com](mailto:info@glancylaw.com).

**PLEASE DO NOT CALL OR WRITE THE COURT REGARDING THIS NOTICE.**

BY ORDER OF THE COURT

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Hon. Denise Cote  
UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK

Dated: \_\_\_\_\_

**THE PLAN OF ALLOCATION FOR THE FAIR FUND**

**Calculation of Eligible Loss Amount per Share**

For shares of Puda Coal common stock not purchased in the Secondary Offering, the Eligible Loss Amount per share is \$0.00.

For shares of Puda Coal common stock purchased in the Secondary Offering and:

- a. Sold before the close of trading on April 7, 2011, the Eligible Loss Amount per share is \$0.00;
- b. Sold between the opening of trading on April 8, 2011 and the close of trading on April 30, 2012, the Eligible Loss Amount per share is \$12.00 minus the sales price per share;
- c. Held as of the close of trading on April 30, 2012, the Eligible Loss Amount per share is \$12.00.

**Pro Rata Calculation**

Should the Total Eligible Loss Amount of all Eligible Claimants exceed the Net Fair Fund, the Distribution Agent will distribute funds to the Eligible Claimants based upon a pro-rata distribution formula. The Distribution Agent shall determine each Eligible Claimant's pro rata share of the Fair Fund based upon each Eligible Claimant's Total Eligible Loss Amount divided by the Total Eligible Loss Amounts of all Eligible Claimants.

**Use of "FIFO" Methodology for Computation of Eligible Losses for Eligible Claimants Who Made Multiple Transactions in Eligible Securities**

For Potentially Eligible Claimants who held shares before the Secondary Offering and/or made multiple purchases, acquisitions or sales of the Eligible Securities after the Secondary Offering, the sales of shares after the Secondary Offering will be matched in chronological order first against the claimant's closing position on the day before the Secondary Offering, until that day's closing position has been exhausted; then remaining sales after the Secondary Offering will be matched in chronological order against purchases or acquisitions made in the Secondary Offering until all such shares have been exhausted. Purchases and sales of eligible securities shall be deemed to have occurred on the "contract" or "trade" date as opposed to the "settlement" or "payment" date.

**Computation of the Eligible Loss Amount for Each Eligible Claimant**

The Eligible Loss Amount will be calculated for each Eligible Security that was purchased in the Secondary Offering, listed in the Proof of Claim Form, and for which adequate documentation is provided. The Total Eligible Loss Amount for each Eligible Security is calculated by multiplying the number of shares by the appropriate Eligible Loss Amount per share as calculated in the formula above. An Eligible Claimant's Total Eligible Loss Amount equals the sum of Eligible Loss Amounts for all shares purchased in the Secondary Offering.

**THE PROPOSED PLAN OF ALLOCATION FOR THE CLASS ACTION**

The Claims Administrator shall determine each Authorized Claimant's *pro rata* share of the Net Settlement Fund based upon each Authorized Claimant's Recognized Loss calculated using the Court-approved Plan of Allocation (the "Plan"). The Recognized Loss formula below is not intended to estimate the amount a Settlement Class Member might have been able to recover after a trial; nor to estimate the amount that will be paid to Authorized Claimants pursuant to the Settlements, but rather is the basis upon which the Net Settlement Fund will be proportionately allocated to the Authorized Claimants.

**Any authorized Claimant who receives any funds from the Fair Fund shall have their Recognized Loss reduced by the amount of money received from the Fair Fund.**

If, as expected, the amount in the Net Settlement Fund is not sufficient to permit payment of the total Recognized Loss of each Authorized Claimant, then each Authorized Claimant shall be paid the percentage of the Net Settlement Fund that each Authorized Claimant's Recognized Loss bears to the total of the Recognized Losses of all Authorized Claimants – i.e., the Authorized Claimant's *pro rata* share of the Net Settlement Fund. Payment in this manner shall be deemed conclusive against all Authorized Claimants.

Based on the foregoing, each Authorized Claimant's Recognized Loss will be calculated as follows:

**Puda Coal Common Stock**

For each share of Puda Coal common stock purchased or otherwise acquired during the period December 8, 2010 through April 11, 2011, and:

- a. sold prior to April 8, the Recognized Loss per share is zero.
- b. sold within the period April 8, 2011 through and including September 2, 2011, the Recognized Loss per share is the lesser of:
  - i. \$12.04 per share; or
  - ii. the purchase price per share less the sales price per share.
- c. retained beyond September 2, 2011 but sold before November 30, 2011, the Recognized Loss per share is the lesser of:
  - i. \$12.04 per share;
  - ii. the difference between the purchase price and the sales price; or
  - iii. the purchase price per share less the price per share identified in Table-1 for the date the share(s) were sold.<sup>1</sup> Table -1 is available for review at [www.pudacoalfund.com](http://www.pudacoalfund.com).

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<sup>1</sup> Pursuant to Section 21(D)(e)(1) of the Private Securities Litigation Reform Act of 1995, "in any private action arising under this chapter in which the plaintiff seeks to establish damages by reference to the market price of a security, the award of damages to the plaintiff shall not exceed the difference between the purchase or sale price

- d. retained on November 30, 2011, the Recognized Loss per share is the lesser of:
  - i. the difference between the purchase price per share and \$0.59 per share.

### **Call Options**

For call options on Puda Coal common stock purchased or otherwise acquired from December 8, 2010 to April 11, 2011, inclusive, and:

- a. closed (through sale, exercise or expiration) before the close of trading on April 7, 2011, the Recognized Loss per call option is zero.
- b. sold after the close of trading on April 11, 2011 but before the close of trading on November 30, 2011, the Recognized Loss per call option is the difference between the price paid for the call option less the proceeds received from the sale of the call option contract;
- c. expired after the close of trading on April 7, 2011 but before the close of trading on November 30, 2011, the Recognized Loss per call option is the purchase price of the call option minus the value of the call option on the date of expiration. The value of the call option on the date of expiration will be the closing stock price at date of expiration (or next available trading date), minus the strike price (if less than 0 the value is 0); or
- d. if the call option was held unexpired at least through November 30, 2011, the Recognized Loss will be the purchase price minus the holding value of the call option. The holding value of the call option will be \$0.59 minus the strike price (if less than 0 the value is 0).

For call options on Puda Coal common stock written (sold) from December 8, 2010 to April 11, 2011, inclusive, the claim per call option is zero.

### **Put Options**

For put options on Puda Coal common stock written from December 8, 2010 to April 11, 2011,<sup>2</sup> inclusive, and:

- a. closed (through purchase, assignment or expiration) before the close of trading on April 7, 2011, the Recognized Loss per put option is zero;

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paid or received, as appropriate, by the plaintiff for the subject security and the mean trading price of that security during the 90-day period beginning on the date on which the information correcting the misstatement or omission that is the basis for the action is disseminated to the market.” \$0.59 was the mean (average) daily closing trading price of Puda Coal common stock during the 90-day period beginning on September 2, 2011 and ending on November 30, 2011.

<sup>2</sup> Excludes those options that expired before April 7, 2011, the date of the first price reaction to the alleged corrective disclosure.

- b. purchased after the close of trading on April 11, 2011 but before the close of trading on November 30, 2011, the Recognized Loss per put option is the difference between the sale price for the put option less the purchase price of the put option contract;
- c. expired after the close of trading on April 7, 2011 but before the close of trading on November 30, 2011, the Recognized Loss per put option is the value of the put option on the date of expiration minus the sale price of the put option. The value of the put option on the date of expiration will be the closing stock price at date of expiration (or next available trading date), minus the strike price (if less than 0 the value is 0); or
- d. if the put option was held unexpired at least through November 30, 2011, the Recognized Loss will be the holding value of the put option minus the sale price of the put option. The holding value of the put option will be \$0.59 minus the strike price (if less than 0 the value is 0)..

For put options on Puda Coal common stock purchased or otherwise acquired from December 8, 2010 to April 11, 2011, inclusive, the claim per put option is zero.

In the event a Settlement Class Member has more than one purchase or sale of Puda common stock during the Settlement Class Period, all purchases and sales within the Settlement Class Period shall be matched on a First-In, First-Out ("FIFO") basis. Settlement Class Period sales will be matched first against any holdings at the beginning of the Settlement Class Period, and then against purchases in chronological order, beginning with the earliest purchase made during the Settlement Class Period.

A purchase or sale of Puda common stock will be deemed to have occurred on the "contract" or "trade" date as opposed to the "settlement" or "payment" date. All purchase and sale prices shall exclude any fees and commissions. The receipt or grant by gift, devise, or operation of law of Puda securities during the Settlement Class Period will not be deemed a purchase or sale for the calculation of a claimant's Recognized Loss, nor will it be deemed an assignment of any claim relating to the purchase of such shares unless specifically provided in the instrument of gift or assignment. The receipt of Puda common stock during the Settlement Class Period in exchange for securities of any other corporation or entity shall not be deemed a purchase or sale of Puda common stock.

To the extent that a claimant had a gain from his, her, or its overall transactions in Puda securities during the Settlement Class Period, the value of the claim will be zero. Shares held before the beginning of the Settlement Class Period and uncovered short sales are excluded from the calculation of overall gain or loss. For shares purchased during the Settlement Class Period and held through November 30, 2011, a value of \$0.59 will be applied as the holding value for the purpose of calculating an overall loss or gain. If a Settlement Class Member had a net market loss in his, her or its trading in Puda securities during the Settlement Class Period, the Settlement Class Member's net Recognized Loss shall be limited to the Settlement Class Member's net market loss. The date of covering a "short sale" is deemed to be the date of purchase of shares. The date of a "short sale" is deemed to be the date of sale of shares. The Recognized Loss on "short sales" is zero. In the event that a claimant has an opening short position in Puda common stock, the earliest Settlement Class Period purchases shall be matched against such opening short position and not be entitled to a recovery until that short position is fully covered.

Payment under this Plan of Allocation will be considered conclusive against the Authorized Claimant.







Signature of Joint Claimant, if any

Print Name of Joint Claimant

Date:   -   -    
M M D D Y Y

## PROOF OF CLAIM INSTRUCTIONS

A. This Proof of Claim and Release ("Proof of Claim Form") has been sent to you because you may be a Potentially Eligible Claimant in this matter. Please make sure you complete the requested information in Part I in its entirety. To participate, you must complete and sign this Proof of Claim Form and provide supporting documents for any eligible transactions you claim. If you fail to file a properly addressed Proof of Claim Form and supporting documents, your claim may be rejected, and you may be determined to be ineligible for any payment in this matter.

B. Submission of this Proof of Claim Form does not assure that you will share in the proceeds of the Fair Fund created in this matter. Your share will depend on the number of Potentially Eligible Claimants filing eligible claims and will be subject to a \$10.00 Minimum Distribution Amount.

C. YOU MUST COMPLETE AND SUBMIT YOUR PROOF OF CLAIM FORM BY MAIL POSTMARKED ON OR BEFORE \_\_\_\_, ADDRESSED TO THE DISTRIBUTION AGENT AS LISTED BELOW.

D. If you are NOT a Potentially Eligible Claimant, as defined in the Distribution Plan Notice, DO NOT submit a Proof of Claim Form.

E. Use the section of this form entitled "Claimant Information" to identify each owner of record. THIS PROOF OF CLAIM FORM MUST BE FILED BY THE ACTUAL BENEFICIAL OWNER(S) OR THE LEGAL REPRESENTATIVE OF SUCH OWNER(S) OF SHARES UPON WHICH THIS CLAIM IS BASED.

F. Use the section of this form entitled "Schedule of Transactions" to supply all required details of your transaction(s). 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.

G. Complete a separate Proof of Claim Form for each account in which you qualify.

H. Provide all of the requested information with respect to shares of the Puda common stock that you acquired at any time on or between December 8, 2010 and April 30, 2012, inclusive, whether such transactions resulted in a profit or a loss. Failure to report all such transactions may result in the rejection of your claim.

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

J. Documentation of your transactions must be attached to your claim. Failure to provide this documentation could delay verification of your claim or result in rejection of your claim.

K. The above requests are designed to provide the minimum amount of information necessary to process the simplest claims. The Distribution Agent may request additional information as required to efficiently and reliably calculate your losses.

*Proof of Claim Forms must be postmarked no later than \_\_\_\_ and mailed to Macquarie Capital Fair Fund, PO Box 2838, Portland, OR 97208-2838*

ATTENTION NOMINEES AND BROKERAGE FIRMS: If you are filing claim(s) electronically on behalf of beneficial owners, detailed instructions are available on the website at [www.pudacoalfund.com](http://www.pudacoalfund.com) along with the formatted electronic filing template. You may also send an email to [info@pudacoalfund.com](mailto:info@pudacoalfund.com) requesting this information.

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### Reminder Checklist

1. Sign the Certification section of the Proof of Claim and Release on page \_\_\_.
2. Remember to attach supporting documentation.
3. Do not send original documents.
4. Keep a copy of your Proof of Claim Form and all documents submitted for your records.
5. If you desire an acknowledgment of receipt of your Proof of Claim Form, send your Proof of Claim Form by Certified Mail, Return Receipt Requested.
6. If you move, please send the Distribution Agent your new address.
7. Remember to supply your Social Security Number or Tax Identification Number (or the foreign equivalents of such identifying information) and any joint owners Social Security Number(s) if applicable. If you are not a U.S. citizen, please include a copy of your passport or other identification.

ACCURATE CLAIMS PROCESSING CAN TAKE A SIGNIFICANT  
AMOUNT OF TIME. THANK YOU FOR YOUR PATIENCE.

Exhibit D

Puda Securities Litigation  
Claims Administrator  
PO Box 2838  
Portland, OR 97208-2838

**PROOF OF CLAIM AND RELEASE FOR THE CLASS ACTION**

**THIS PROOF OF CLAIM MUST BE POSTMARKED NO LATER THAN \_\_\_\_\_,**  
\_\_\_\_\_.

**I. GENERAL INSTRUCTIONS**

- A. It is important that you completely read and understand the notice of proposed settlements (“the Notice”) that accompanies this Proof of Claim and Release Form (“Claim Form”), including the Plan of Allocation. The Notice contains the definitions of many of the defined terms (which are indicated by initial capital letters) used in this Claim Form. By signing and submitting this Claim Form, you will be certifying that you have read and that you understand the Notice, including the terms of the Releases described in the Class Action Stipulations of Settlement available for your review at [www.pudacoalfund.com](http://www.pudacoalfund.com) as well as the Plan of Allocation described in the Notice.
- B. By submitting this Claim Form, you will be making a request to share in the proceeds of the Settlements described in the Notice. If you request exclusion from one of the Settlements, you will not be eligible to receive a payment from that Settlement.
- C. **TO BE ELIGIBLE TO RECEIVE A DISTRIBUTION, YOU MUST MAIL YOUR COMPLETED AND SIGNED CLAIM FORM TO THE CLAIMS ADMINISTRATOR BY FIRST-CLASS MAIL, POSTAGE PREPAID, POSTMARKED BY \_\_\_\_\_, ADDRESSED AS FOLLOWS:**

Puda Securities Litigation  
Claims Administrator  
PO Box 2838  
Portland, OR 97208-2838

- D. **IF YOU FAIL TO FILE THIS CLAIM FORM BY THE DEADLINE OR FAIL TO COMPLETE IT ACCURATELY YOUR CLAIM MAY BE REJECTED AND YOU MAY BE PRECLUDED FROM ANY RECOVERY FROM THE SETTLEMENT FUND CREATED.**

- E. This Claim Form is directed to all those Persons who during the period beginning on December 8, 2010 through and including April 11, 2011 (the "Settlement Class Period"): (a) purchased or otherwise acquired Puda common stock, (b) purchased or otherwise acquired call options on Puda common stock, and/or (b) sold or otherwise disposed of put options on Puda common stock (the "Settlement Class," the members of which are referred to herein as "Settlement Class Members").
- F. IF YOU ARE NOT A SETTLEMENT CLASS MEMBER, YOU MAY NOT, DIRECTLY OR INDIRECTLY, PARTICIPATE IN THE SETTLEMENT RECOVERY OBTAINED FROM THE DEFENDANTS IN THE CLASS ACTION, YOU WOULD BE A SETTLEMENT CLASS MEMBER, BUT FOR YOUR REQUEST TO BE EXCLUDED FROM THE SETTLEMENT CLASS IN CONNECTION WITH THE SETTLEMENTS DESCRIBED IN THE ACCOMPANYING NOTICE, YOU ALSO MAY NOT DIRECTLY OR INDIRECTLY PARTICIPATE IN THE SETTLEMENTS.
- G. All Settlement Class Members will be bound by the terms of the final orders and judgments entered in connection with the Settlements described in the Notice, if the Settlements are each approved WHETHER OR NOT A CLAIM FORM IS SUBMITTED, unless a valid request for exclusion from the Settlement Class is received by \_\_\_\_\_. These final orders and judgments will include the Releases described in the Notice as well as enjoin the filing or continued prosecution of the claims described at pages \_\_\_ of the Notice against each of the Persons described at pages \_\_\_ of the Notice.
- H. You may only participate in the Settlements described in the Notice if you are a member of the Settlement Class and if you complete and return this Claim Form as specified below. If you fail to file a timely, properly addressed, and completed Claim Form, your claim may be rejected and you may be precluded from receiving any proceeds from the Settlements.
- I. **Submission of this Claim Form does not guarantee that you will share in the proceeds of the Class Action Settlements.**
- J. Use Section II of this Claim Form to provide the personal information about you that is required to process your claim. **Failure to fully complete this Section may result in the rejection of your claim.**

Use Sections III-V of this Claim Form entitled "PUDA TRANSACTIONS" to supply all required details of your transaction(s) in Puda common stock or call options on Puda common stock or put options on Puda common stock. On the schedules, provide all of the requested information with respect to all purchases and other acquisitions (including free receipts) of Puda common stock from December 8, 2010 through November 30, 2011, as well as all sales (including free deliveries) of Puda common stock (or call or put options) from December 8, 2010 through November 30, 2011. If you need more space, follow the instructions set forth in

that section. **Failure to report all transactions during the requested periods may result in the rejection of your claim.**

- K.** You are required to submit genuine and sufficient documentation for all your transactions in Puda common stock (or call or put options) and holdings as of November 30, 2011. Documentation may consist of copies of brokerage confirmations or monthly statements. **IF SUCH DOCUMENTS ARE NOT IN YOUR POSSESSION, PLEASE OBTAIN COPIES OR EQUIVALENT CONTEMPORANEOUS DOCUMENTS FROM YOUR BROKER. FAILURE TO SUPPLY THIS DOCUMENTATION MAY RESULT IN REJECTION OF YOUR CLAIM. DO NOT SEND ORIGINAL DOCUMENTS. Please keep a copy of all documents that you send to the Claims Administrator.**
- L.** Submit one single Claim Form for all of the Settlements. There is no need to submit one Claim Form for each settlement. Please note that the Class Action Settlements are not conditioned in any way on one another and that it is possible that the Court can approve less than all of them. If you have excluded yourself from any of the Settlements, please indicate the Settlement(s) for which you are submitting the Claim Form. In other words, please specify the Settlement in which you seek to obtain recovery. If you have excluded yourself from any of the Settlements, the Releases (and certifications) contained in the Settlement(s) from which you have excluded yourself will not apply but you will be subject to the Releases contained in the Settlement in which you are seeking to obtain recovery.
- M.** Separate Claim Forms should be submitted for each separate legal entity (e.g., a claim from joint owners should not include separate transactions of just one of the joint owners, and an individual should not combine his or her IRA transactions with transactions made solely in the individual's name). Conversely, a single Claim Form should be submitted on behalf of one legal entity including all transactions made by that entity on one Claim Form, no matter how many separate accounts that entity has (e.g., a corporation with multiple brokerage accounts should include all transactions made in all accounts on one Claim Form).
- N.** All joint beneficial owners must each sign this Claim Form. If you purchased or acquired Puda common stock or call options on Puda common stock or sold put options on Puda common stock during the Settlement Class Period and held the securities in your name, you are the beneficial owner as well as the record owner. If, however, you purchased or acquired Puda common stock or call options on Puda common stock or sold put options on Puda common stock during the Settlement Class Period and the securities were registered in the name of a third party, such as a nominee or brokerage firm, you are the beneficial owner of these securities, but the third party is the record owner.
- O.** For short-sale transactions, the date of covering a "short sale" is deemed to be the date of purchase of Puda common stock, and the date of a "short sale" is deemed to be the date of sale of Puda common stock.

- P. Agents, executors, administrators, guardians, and trustees must complete and sign the Claim Form on behalf of persons represented by them, and they must:
- (i) expressly state the capacity in which they are acting;
  - (ii) identify the name, account number, Social Security Number (or Taxpayer Identification Number), address and telephone number of the beneficial owner of (or other Person on whose behalf they are acting with respect to) the Puda common stock; and
  - (iii) furnish herewith evidence of their authority to bind to the Claim Form the Person on whose behalf they are acting. (Authority to complete and sign a Claim Form cannot be established by stockbrokers demonstrating only that they have discretionary authority to trade stock in another person's accounts.)
- Q. By submitting a signed Claim Form, you will be swearing to the truth of the statements contained therein and the genuineness of the documents attached thereto, subject to penalties of perjury under the laws of the United States of America. The making of false statements, or the submission of forged or fraudulent documentation, will result in the rejection of your claim and may subject you to civil liability or criminal prosecution.
- R. NOTICE REGARDING ELECTRONIC FILES: Certain claimants with large numbers of transactions may request, or may be requested, to submit information regarding their transactions in electronic files. All claimants MUST submit a manually signed paper Claim Form, whether or not they also submit an electronic copy. If you wish to file your claim electronically, you must contact the Claims Administrator at [info@pudacoalfund.com](mailto:info@pudacoalfund.com), or visit [www.pudacoalfund.com](http://www.pudacoalfund.com) to obtain the required file layout. No electronic files will be considered to have been properly submitted unless the Claims Administrator issues to the claimant an acknowledgment of receipt and acceptance of electronically submitted data.
- S. If you have questions concerning the Claim Form, or need additional copies of either the Claim Form or the Notice, you may contact the Claims Administrator Epiq, at the above address or by toll-free phone at 877-276-7324, or you may download the documents from [www.pudacoalfund.com](http://www.pudacoalfund.com).

**II. CLAIMANT IDENTIFICATION**

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

\_\_\_\_\_  
Co-Beneficial Owner's Name (First, Middle, Last)

\_\_\_\_\_  
Entity Name (if claimant is not an individual)

\_\_\_\_\_  
Representative or Custodian Name (if different from Beneficial Owner(s) listed above)

\_\_\_\_\_  
Street Address

\_\_\_\_\_  
City

\_\_\_\_\_  
State

\_\_\_\_\_  
Zip Code

\_\_\_\_\_  
Foreign Province

\_\_\_\_\_  
Foreign Country

\_\_\_\_\_  
Area Code

\_\_\_\_\_  
Telephone Number (Daytime)

\_\_\_\_\_  
Area Code

\_\_\_\_\_  
Telephone Number (Evening)

\_\_\_\_\_  
Last 4 digits of Claimant's Social Security Number/Taxpayer Identification Number

\_\_\_\_\_  
Email address

\_\_\_\_\_  
Account Number (account which traded in Puda securities, if multiple write "multiple")

Check appropriate box (check only one box):

- Individual/Sole Proprietor
- Corporation
- IRA

- Joint Owners
- Partnership
- Other (describe: \_\_\_\_\_)

- Pension Plan
- Trust

**III. PUDA TRANSACTIONS – COMMON STOCK**

**A. INITIAL HOLDINGS OF PUDA COMMON STOCK:**

Provide the total number of shares of Puda common stock held as of the close of trading on

December 7, 2010: 

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**B. PURCHASES AND ACQUISITIONS OF PUDA COMMON STOCK:**

List all purchases and acquisitions of shares of Puda common stock from December 8, 2010 to November 30, 2011. Be sure to attach the required documentation.

| Trade Date<br>(MMDDYY)  | Number of Shares<br>Purchased or Acquired | Purchase Price per<br>Share | Total Purchase Price* | Transaction<br>Type<br>(P/R)** |  |  |  |  |  |  |   |  |  |  |  |  |  |  |  |  |  |  |  |   |  |  |  |  |  |   |  |  |  |  |  |  |  |  |  |  |  |  |   |  |
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\*Excluding taxes, fees and commissions

\*\* P=Purchase, R=Receipt (transfer in)

**C. SALES OR DISPOSITIONS OF PUDA COMMON STOCK:**

List all sales or dispositions of shares of Puda common stock from December 8, 2010 to November 30, 2011.

| Trade Date<br>(MMDDYY)  | Number of Shares<br>Sold or Delivered | Sale Price per Share | Total Sale Price* | Transaction<br>Type<br>(S/D)** |  |  |  |  |  |  |   |  |  |  |  |  |  |  |  |  |  |  |  |   |  |  |  |  |  |   |  |  |  |  |  |  |  |  |  |  |  |  |   |  |
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\*Excluding taxes, fees and commissions

\*\* S=Sale, D=Delivery (transfer out)

**D. UNSOLD HOLDINGS OF PUDA COMMON STOCK:**

Provide the total number of shares of Puda common stock held as of the close of trading on

November 30, 2011:           .

**IF YOU NEED ADDITIONAL SPACE TO LIST YOUR TRANSACTIONS PLEASE  
PHOTOCOPY THIS PAGE, WRITE YOUR NAME ON THE COPY AND CHECK THIS**

**BOX**

**IF YOU DO NOT CHECK THIS BOX THESE ADDITIONAL PAGES MAY NOT BE  
REVIEWED.**

**IV. PUDA TRANSACTIONS - CALL OPTIONS**

A. At the beginning of trading on December 8, 2010 the following call options on Puda common stock were owned:

| Number of Contracts                       | Expiration (MMYY)   | Strike Price  | Exercised "E" or Expired "X" | Exercised Date (MMDDYY)   |
|---|---|---|------------------------------|---|
| <input type="text"/> <input type="text"/> | <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> | <input type="text"/> <input type="text"/> . <input type="text"/> <input type="text"/> | <input type="text"/>         | <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> |
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B. Purchases (from December 8, 2010 to April 11, 2011, inclusive) of call options on Puda common stock:

| Date of Purchase (MMDDYY)   | Number of Contracts                       | Expiration (MMYY)   | Strike Price  | Purchase Price Per Contract   | Amount Paid*  | Exercised "E" or Expired "X" | Exercised Date (MMDDYY)   |
|---|---|---|---|---|---|------------------------------|---|
| <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> | <input type="text"/> <input type="text"/> | <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> | <input type="text"/> <input type="text"/> . <input type="text"/> <input type="text"/> | <input type="text"/> <input type="text"/> . <input type="text"/> <input type="text"/> | <input type="text"/> <input type="text"/> . <input type="text"/> <input type="text"/> | <input type="text"/>         | <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> |
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C. Sales of call options on Puda common stock in which call options were purchased on or before April 11, 2011 (include all such sales no matter when they occurred):

| Date of Sale<br>(MMDDYY) | Number of<br>Contracts | Expiration<br>(MMYY) | Strike Price | Sale Price Per<br>Contract |
|--------------------------|------------------------|----------------------|--------------|----------------------------|
| □□□□□□                   | □□                     | □□□□□□               | □□.□□        | □□.□□                      |
| □□□□□□                   | □□                     | □□□□□□               | □□.□□        | □□.□□                      |
| □□□□□□                   | □□                     | □□□□□□               | □□.□□        | □□.□□                      |

D. At the close of trading on November 30, 2011 the following call options on Puda common stock were open:

| Number<br>of<br>Contracts | Expiration<br>(MMYY) | Strike Price |
|---------------------------|----------------------|--------------|
| □□□□                      | □□□□□□               | □□.□□        |
| □□□□                      | □□□□□□               | □□.□□        |
| □□□□                      | □□□□□□               | □□.□□        |

IF YOU NEED ADDITIONAL SPACE TO LIST YOUR TRANSACTIONS PLEASE PHOTOCOPY THE APPROPRIATE PAGE(S), WRITE YOUR NAME ON THE COPY AND CHECK THIS BOX:

V. PUDA TRANSACTIONS - PUT OPTIONS

A. At the beginning of trading on December 8, 2010 the following put options on Puda common stock were owned:

| Number of<br>Contracts | Expiration<br>(MMYY) | Strike Price | Assigned<br>"A" or<br>Expired<br>"X" | Assignment<br>Date<br>(MMDDYY) |
|------------------------|----------------------|--------------|--------------------------------------|--------------------------------|
| □□□□                   | □□□□□□               | □□.□□        | □                                    | □□□□□□                         |
| □□□□                   | □□□□□□               | □□.□□        | □                                    | □□□□□□                         |
| □□□□                   | □□□□□□               | □□.□□        | □                                    | □□□□□□                         |

B. Sales (from December 8, 2010 to April 11, 2011, inclusive) of put options on Puda common stock:

| Date of Sale<br>(MMDDYY) | Number<br>of<br>Contracts | Expiration<br>(MMYY) | Strike Price | Sale Price Per<br>Contract | Total* | Assigned<br>"A" or<br>Expired<br>"X" | Assignment<br>Date<br>(MMDDYY) |
|--------------------------|---------------------------|----------------------|--------------|----------------------------|--------|--------------------------------------|--------------------------------|
| □□□□□□                   | □□                        | □□□□□□               | □□.□□        | □□.□□                      | □□.□□  | □                                    | □□□□□□                         |
| □□□□□□                   | □□                        | □□□□□□               | □□.□□        | □□.□□                      | □□.□□  | □                                    | □□□□□□                         |
| □□□□□□                   | □□                        | □□□□□□               | □□.□□        | □□.□□                      | □□.□□  | □                                    | □□□□□□                         |

C. Purchases of put options on Puda common stock in which put options were sold (written) on or before April 11, 2011 (include all such purchases no matter when they occurred):

| Date of Purchase<br>(MMDDYY) | Number of<br>Contracts | Expiration<br>(MMYY) | Strike Price | Purchase Price<br>Per Contract |
|------------------------------|------------------------|----------------------|--------------|--------------------------------|
|                              |                        |                      | .            | .                              |
|                              |                        |                      | .            | .                              |
|                              |                        |                      | .            | .                              |

D. At the close of trading on November 30, 2011 the following put options on Puda common stock were open:

| Number<br>of<br>Contracts | Expiration<br>(MMYY) | Strike Price |
|---------------------------|----------------------|--------------|
|                           |                      | .            |
|                           |                      | .            |
|                           |                      | .            |

IF YOU NEED ADDITIONAL SPACE TO LIST YOUR TRANSACTIONS PLEASE PHOTOCOPY THE APPROPRIATE PAGE(S), WRITE YOUR NAME ON THE COPY AND CHECK THIS BOX:

IF YOU REQUIRE ADDITIONAL SPACE, ATTACH EXTRA SCHEDULES IN THE SAME FORMAT AS ABOVE. PRINT THE BENEFICIAL OWNER'S FULL NAME AND TAXPAYER IDENTIFICATION NUMBER ON EACH ADDITIONAL PAGE.

\* \* \*

YOU MUST ALSO READ THE RELEASE AND CERTIFICATION BELOW AND SIGN ON PAGE \_\_ OF THIS CLAIM FORM.

YOUR SIGNATURE ON PAGE \_\_\_\_ WILL CONSTITUTE YOUR ACKNOWLEDGMENT OF THE RELEASES DESCRIBED ON PAGES \_\_ BELOW.

**VI. RELEASE OF CLAIMS IN THE CIVIL CASES**

**1. Definitions**

For the purpose of the Proof of Claim and Releases, terms not defined herein shall have the meanings provided for them in the Stipulations of Settlement available at [www.pudacoalfund.com](http://www.pudacoalfund.com).

**2. Statement of Claim and Release**

a. By submitting this signed Proof of Claim and Release, you will be certifying under penalty of perjury that you: own(ed) the subject Puda securities you have listed in the Proof of Claim and Release; or are expressly authorized to act on behalf of the owner thereof.

b. By submitting this signed Proof of Claim and Release, you will be certifying the truth of the statements contained therein and the genuineness of the documents attached thereto, subject to penalties of perjury under the laws of the United States of America. The making of false statements, or the submission of forged or fraudulent documentation, will result in the rejection of your claim and may subject you to civil liability or criminal prosecution.

c. By submitting this signed Proof of Claim and Release, the Claimant or the person who represents the Claimant certifies as follows:

i. that Claimant(s) is/are a Class Member(s), as defined in the Notice;

ii. that I/we have read and understand the contents of the Notice and the Proof of Claim and Release;

iii. that I am/we are not acting for any of the Defendants, nor am I/are we such Defendant(s) or otherwise excluded from the Class;

iv. that I/we have not filed a Request for Exclusion from the Class and that I/we do not know of any Request for Exclusion from the Class filed on my/our behalf with respect to my/our transactions in the Subject Securities;

v. that I/we own(ed) the subject Puda securities identified in this Proof of Claim and Release, or that, in signing and submitting this Proof of Claim and Release, I/we have the authority to act on behalf of the owner(s) thereof;

vi. that Claimant(s) may be entitled to receive a distribution from the Net Settlement Fund;

vii. that Claimant(s) desire(s) to participate in the Settlement described in the Notice and agree(s) to the terms and conditions thereof;

viii. that I/we submit to the jurisdiction of the United States District Court for the Southern District of New York for purposes of investigation and discovery under the Federal Rules of Civil Procedure with respect to this Proof of Claim and Release;

ix. that I/we agree to furnish such additional information with respect to this Proof of Claim and Release as the Parties or the Court may require;

x. that I/we waive trial by jury, to the extent it exists, and agree to the Court's summary disposition of the determination of the validity or amount of the claim made by this Proof of Claim and Release;

xi. that I (we) acknowledge that I (we) will be bound by and subject to the terms of any judgment(s) and any other orders of the Court that may be entered in the Action;

xii. that I (we) have read the Releases described at pages \_\_\_ of the Notice, and understand that I (we) am (are) granting each and every one of those Releases;

xiii. that, with respect to the Macquarie Settlement, I (we) hereby acknowledge full and complete satisfaction of, and do, hereby fully, finally and forever dismiss, release, relinquish and discharge with prejudice each and every one of the Released Defendant Persons with respect to each and every one of the Released Plaintiff Claims, as described in the Notice and as those terms are defined in the Macquarie Stipulation;

xiv. that, with respect to the Brean Settlement, I (we) hereby acknowledge full and complete satisfaction of, and do, hereby fully, finally and forever dismiss, release, relinquish and discharge with prejudice each and every one of the Released Parties with respect to each and every one of the Released Claims as described in the Notice and as those terms are defined in the Brean Stipulation;

xv. that, with respect to the U.S. Directors Settlement, I (we) hereby acknowledge full and complete satisfaction of, and do, hereby fully, finally and forever dismiss, release, relinquish and discharge with prejudice each and every one of the Released Defendant Persons with respect to each and every one of the Released Plaintiff Claims, as described in the Notice and as those terms are defined in the U.S. Directors Stipulation; and

xvi. 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.

**If you have been notified by the IRS that you are subject to backup withholding, please strike out the word “NOT” in the certification above.**

UNDER PENALTY OF PERJURY, I (WE) CERTIFY THAT ALL OF THE INFORMATION PROVIDED BY ME (US) ON THIS FORM IS TRUE, CORRECT, AND COMPLETE, AND THAT THE DOCUMENTS SUBMITTED HEREWITH ARE TRUE AND CORRECT COPIES OF WHAT THEY PURPORT TO BE.

---

Signature of claimant

Date

---

Print name here

---

Signature of joint claimant, if any

Date

---

Print name here

*If the claimant is other than an individual, or is not the person completing this form, the following also must be provided:*

---

Signature of person signing on behalf of claimant

Date

---

Print name here

---

Capacity of person signing on behalf of claimant, if other than an individual, e.g., executor, president, custodian, etc.

THIS CLAIM FORM MUST BE SUBMITTED NO LATER THAN \_\_\_\_\_ AND MUST BE MAILED TO:

Puda Coal, Inc. Securities Litigation  
PO Box 2838  
Portland, OR 97208-2838

A Claim Form received by the Claims Administrator shall be deemed to have been submitted when posted, if mailed by \_\_\_\_\_ with a postmark indicated on the envelope, mailed First Class, addressed in accordance with the above instructions. In all other cases, a Claim Form shall be deemed to have been submitted when actually received by the Claims Administrator.

**REMINDER CHECKLIST:**

1. Please sign the above release and certification. If this Claim Form is being submitted on behalf of joint claimants, then both must sign.
2. Remember to attach only copies of acceptable supporting documentation.
3. Please do not highlight any portion of the Claim Form or any supporting documents.
4. Do not send original stock certificates or documentation. These items cannot be returned to you by the Claims Administrator.
5. Keep copies of the completed Claim Form and documentation for your own records.
6. The Claims Administrator will acknowledge receipt of your Claim Form by mail, within 60 days. Your claim is not deemed filed until you receive an acknowledgement postcard. If you do not receive an acknowledgement postcard within 60 days, please call the Claims Administrator toll free at 877-276-7324.
7. If your address changes in the future, or if this Claim Form was sent to an old or incorrect address, please send the Claims Administrator written notification of your new address. If you change your name, please inform the Claims Administrator.
8. If you have any questions or concerns regarding your claim, please contact the Claims Administrator at the above address or at [info@pudacoalfund.com](mailto:info@pudacoalfund.com), or visit [www.pudacoalfund.com](http://www.pudacoalfund.com).
9. Please notify the Claims Administrator of any change of address.
10. You should be aware that it will take a significant amount of time to fully process all of the Claim Forms after a plan of allocation is approved by the Court. Please be patient.

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK

IN RE PUDA COAL SECURITIES INC.  
et al. LITIGATION

CASE NO: 1:11-CV-2598 (DLC)

**TO: ALL PERSONS WHO PURCHASED OR ACQUIRED COMMON STOCK OF PUDA COAL, INC. ("PUDA") OR ENGAGED IN TRANSACTIONS IN PUDA PUT OPTIONS OR PUDA CALL OPTIONS DURING THE PERIOD DECEMBER 8, 2010 THROUGH AND INCLUDING AND APRIL 11, 2011**

YOU ARE HEREBY NOTIFIED that the Lead Plaintiffs in the above-captioned class action (the "Action") have proposed: (1) a settlement with Defendant Macquarie Capital (USA) Inc. ("Macquarie") that will resolve the Action against Macquarie and provide that Macquarie will pay \$7.4 million for the benefit of the Settlement Class (the "Macquarie Settlement"); (2) a settlement with Defendant Brean Murray, Carret & Co. ("Brean") that will resolve the Action against Brean and provide that Brean will pay \$1.2 million for the benefit of the Settlement Class (the "Brean Settlement"), and (3) a settlement with Defendants Lawrence S. Wizel and C. Mark Tang (the "U.S. Directors") that will resolve the Action against the U.S. Directors and provide that the U.S. Directors shall pay \$100,000 and assign certain claims for the benefit of the Settlement Class (the "U.S. Directors Settlement") (collectively the "Settlements"). Any payments due you under the Settlements are in addition to the monies that will be made available to purchasers of Puda common stock in Puda's December 2010 Offering through the Securities and Exchange Commission Fair Fund process relating to Macquarie.

A hearing will be held on \_\_\_\_\_ at \_\_\_\_\_, before the Honorable Denise L. Cote in the United States District Court for the Southern District of New York, 500 Pearl Street, New York, NY, 10007, to determine: (1) whether each of the Settlements should be approved as

fair, reasonable and adequate; (2) whether the Action should be dismissed with prejudice against the Settling Defendants and the releases and liability protections specified and described in the Notice and the respective Stipulations should be granted, (3) whether the Plan of Allocation of the settlement funds shall be approved as fair and reasonable; (4) whether Lead Plaintiffs' application for award of attorneys' fees of one-third of the Settlement Fund and reimbursement of up to \$2.1 million of litigation expenses (as well as for a Reimbursement Award of \$7,500 to each Lead Plaintiff) should be granted; and (5) any other matters relevant to the Settlements the Court considers necessary or appropriate (the "Settlement Hearing").

IF YOU PURCHASED PUDA COMMON STOCK OR CALL OPTIONS ON PUDA COMMON STOCK OR SOLD PUT OPTIONS ON PUDA COMMON STOCK DURING THE SETTLEMENT CLASS PERIOD (DECEMBER 8, 2010 THROUGH AND INCLUDING APRIL 11, 2011) YOUR RIGHTS WILL BE AFFECTED AND YOU MAY BE ENTITLED TO SHARE IN THE SETTLEMENT FUND. If you have not yet received the full printed Notice of Proposed Settlements, and the accompanying Claim Form, you may obtain copies by contacting the Claims Administrator at:

*Puda Coal Securities Litigation*  
P.O. Box 2838  
Portland, OR 97208-2838

Copies of the Notice and Claim Form are also available at [www.pudacoalfund.com](http://www.pudacoalfund.com).

If you are a member of the Class, in order to be eligible to share in the distribution of the Net Settlement Fund, you must mail your completed and signed claim form by first-class mail **postmarked no later than \_\_\_\_\_, 2016**, establishing that you are entitled to a recovery. You will be bound by any judgment entered in the Action whether or not you make a claim.

If you desire to be excluded from the Class, you must file a request for exclusion **postmarked no later than \_\_\_\_\_, 2016**, in the manner and form explained in the Notice. All members of the Class who do not request exclusion from the Class will be bound by any judgment entered in the Action. You can object to any or all of the Settlements.

Any objection to the proposed Settlements, Plan of Allocation, or application for attorneys' fees, reimbursement of litigation expenses, and an award to Lead Plaintiffs must be filed with the Court and delivered to counsel for the Parties no later than \_\_\_\_\_, 2016 in the manner and form set forth in the Notice. All objections must be prepared and served in accordance with the instructions set forth in the Notice.

Inquiries, other than requests for the Notice, may be made to Lead Counsel: Lionel Z. Glancy, Glancy Prongay & Murray LLP, 1925 Century Park East, Suite 2100, Los Angeles, CA 90067, (T) (310) 201-9150, (F) (310) 432-1495, info@glancylaw.com, www.glancylaw.com.

PLEASE DO NOT CONTACT THE COURT OR THE CLERK'S OFFICE REGARDING THIS NOTICE

Dated: \_\_\_\_\_

BY ORDER OF THE COURT