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

GLORIA BASARABA, Derivatively on  
Behalf of Nominal Defendant  
SKECHERS U.S.A., INC.,  
Plaintiff,

v.

ROBERT GREENBERG, MICHAEL  
GREENBERG, JEFFREY  
GREENBERG, DAVID WEINBERG,  
RICHARD SISKIND, GEYER  
KOSINSKI, MORTON ERLICH,  
RICHARD A. RAPPAPORT, and  
THOMAS WALSH,  
Defendants,

-and-

SKECHERS U.S.A., INC.,  
Nominal Defendant.

Case No. 13-CV-05061-PSG (SHx)

**NOTICE OF PENDENCY  
AND SETTLEMENT OF  
DERIVATIVE ACTION**

Courtroom: 880

Judge: Hon. Philip S. Gutierrez

Complaint Filed: September 5, 2013

Trial Date: N/A

1 **TO: ANY OWNER OF SKECHERS U.S.A., INC.’S COMMON STOCK.**

2 **PLEASE READ THIS NOTICE CAREFULLY**

3 **THIS NOTICE RELATES TO THE PENDENCY AND PROPOSED**  
4 **SETTLEMENT OF THIS SHAREHOLDER DERIVATIVE LITIGATION**

5 **YOU ARE HEREBY NOTIFIED**, pursuant to Federal Rule of Civil  
6 Procedure 23.1 and an Order of the United States District Court for the Central  
7 District of California, Western Division (the “Court”), that a proposed settlement  
8 (the “Settlement”) has been reached between Plaintiff, on behalf of nominal  
9 defendant Skechers U.S.A., Inc. (“Skechers” or the “Company”), and the Individual  
10 Defendants and Skechers in the above-captioned derivative litigation (the  
11 “Derivative Action”). The Individual Defendants are Robert Greenberg, Michael  
12 Greenberg, Jeffrey Greenberg, David Weinberg, Richard Siskind, Geyer Kosinski,  
13 Morton Erlich, Richard A. Rappaport, and Thomas Walsh. The Derivative Action  
14 has been brought derivatively on behalf of Skechers to remedy the harm allegedly  
15 caused to the Company by the Individual Defendants’ alleged breach of their  
16 fiduciary duties and other alleged violations under state law.

17 The benefits to the Company of the proposed Settlement, which is subject to  
18 Court approval, include Skechers’ adoption of certain corporate governance  
19 measures, as set forth in the Stipulation of Settlement (“Stipulation”).

20 A hearing (the “Settlement Hearing”) will be held by the Court at the United  
21 States Courthouse, Courtroom 880, Edward R. Roybal Federal Building, 255 East  
22 Temple Street, Los Angeles, CA, 90012 to determine: (a) whether the Settlement of  
23 this action on the terms and conditions provided for in the Stipulation is fair,  
24 reasonable, and adequate to current Skechers shareholders and to Skechers and  
25 should be approved by the Court; (b) whether the proposed Final Judgment should  
26 be entered herein, including its following provisions: (i) approving the Settlement,  
27 including the release of all Released Claims against the Released Persons, as fair,  
28 reasonable, adequate, and in the best interest of Skechers; (ii) dismissing the

1 Derivative Action with prejudice; (iii) authorizing payment of Fees and Expenses  
2 not exceeding \$350,000.00 in total; and (iv) authorizing payment of an Incentive  
3 Award to Plaintiff not exceeding \$1,000.00 to be paid from the Fees and Expenses  
4 sought by Plaintiff's Counsel.

5 The Individual Defendants have denied, and continue to deny, and have  
6 contested and continue to contest each and every allegation of liability and  
7 wrongdoing on their part, and assert that they have strong factual and legal defenses  
8 to all claims alleged against them in the Verified Shareholder Derivative Complaint  
9 (the "Complaint") and that such claims are without merit. Without admitting any  
10 wrongdoing or liability on their part whatsoever, the Individual Defendants  
11 nevertheless are willing to enter into the Settlement provided for herein in order  
12 fully and finally to settle and dispose Derivative Action and to avoid the continuing  
13 burden, expense, inconvenience, and distraction of this protracted litigation of all  
14 claims that have been or could have been asserted against them in this

## 15 **I. THE DERIVATIVE ACTION**

### 16 **A. Background**

17 On June 12, 2012, Plaintiff's Counsel initiated an investigation concerning  
18 the claims asserted in the Litigation. Plaintiff's factual investigation has included  
19 reviewing corporate documents obtained pursuant to a request for books and  
20 records under section 220 of the Delaware Corporate Law, the organization and  
21 analysis of public filings by Skechers with the Securities and Exchange  
22 Commission (the "SEC"), and press releases issued by Skechers and other public  
23 statements about Skechers issued by third parties. Plaintiff's legal investigation has  
24 included researching applicable law to allege and prove her claims.

25 On July 15, 2013, Plaintiff moved to file under seal a verified shareholder  
26 derivative complaint against Skechers, the Individual Defendants, and a former  
27 employee. The complaint included allegations of breach of fiduciary duties, gross  
28 mismanagement, waste of corporate assets, and unjust enrichment based on the

1 development of Skechers' toning footwear products, advertising and marketing  
2 activities relating thereto, and subsequent litigation involving those issues. The  
3 complaint sought compensatory damages, a court order directing Skechers to  
4 reform and improve their corporate governance and internal procedures, and  
5 attorneys' fees, costs and expenses. On August 26, 2013, the Court denied  
6 plaintiff's motion to seal and ordered that she file an operative complaint. On  
7 September 5, 2013, plaintiff filed the operative Complaint against the same  
8 defendants, except for the former employee. The Complaint seeks to recover under  
9 the same causes of action as in the prior complaint on the basis of many of the same  
10 allegations. The Individual Defendants deny all allegations of wrongdoing.

11 On November 12, 2013, and November 15, 2013, the Individual Defendants  
12 and Skechers respectively moved to dismiss the Complaint. The parties stipulated  
13 to a briefing schedule, which permitted Plaintiff to either oppose Defendants'  
14 motions to dismiss or amend the Complaint.

15 On November 19, 2013, in an attempt to resolve the matter, the parties  
16 participated in a mediation presided by the Hon. Dickran M. Tevrizian (Ret.), who  
17 was assisted by the Hon. Irma E. Gonzalez (Ret.). Subsequently, the parties  
18 engaged in additional mediation sessions. For the past seven months, the parties  
19 engaged in extensive negotiations regarding a potential settlement of this Derivative  
20 Action. As a result of the mediation sessions and settlement discussions, the parties  
21 have ultimately agreed to the terms contained herein.

## 22 **B. The Individual Defendants' Denial of Wrongdoing**

23 The Individual Defendants deny any wrongdoing, and nothing in the  
24 Stipulation shall be construed or deemed to be evidence of, or an admission or  
25 concession on the part of Skechers or any Individual Defendant, or as evidence, of  
26 the truth or validity of any of the allegations in this Action, or of any liability, fault,  
27 or wrongdoing of any kind or any infirmity in the defenses that the Defendants  
28 could have asserted. Each of the Individual Defendants has further asserted and

1 continues to assert that at all material times, he has acted in good faith and in a  
2 manner he reasonably believed to be in the best interest of Skechers and its  
3 shareholders. The Individual Defendants deny that they have committed any act or  
4 omitted to perform any act that gives rise to any liability or violation of securities  
5 law or breach of fiduciary duties. The Defendants have also taken into  
6 consideration the risks and uncertainty inherent in any litigation, especially in  
7 complex cases like this Derivative Action.

8 The Defendants therefore have determined that it is desirable and beneficial  
9 that the Litigation be settled in the manner and upon the terms and conditions set  
10 forth in this Stipulation, to eliminate the burden, inconvenience, and expense of  
11 litigation, and to permit the operation of Skechers' business without the distraction  
12 and diversion of Skechers' executive personnel and Board of Directors as to matters  
13 at issue in this Derivative Action. The Defendants do not dispute that this  
14 Derivative Action is being voluntarily settled upon the advice of counsel, and that  
15 the terms of the Settlement are fair, adequate, and reasonable. The Stipulation shall  
16 not be construed or deemed to be a concession by any party of any infirmity in, or  
17 validity of, the claims asserted in this Derivative Action.

### 18 C. Plaintiff's and Plaintiff's Counsel's Position

19 Plaintiff and Plaintiff's Counsel believe that the claims asserted in the  
20 Litigation have merit. However, in light of the uncertain outcome and risk of  
21 litigation, particularly complex derivative actions such as this Litigation, as well as  
22 the relevant facts, allegations, defenses, and controlling legal principles, Plaintiff  
23 and Plaintiff's Counsel believe the Settlement provides a good outcome for  
24 Skechers. The Settlement provides for corporate governance reform that will  
25 benefit Skechers and its shareholders. Based on the benefits that the Company and  
26 its shareholders will receive from the Settlement, the risks involved with continued  
27 litigation and the difficulties and delays inherent in the litigation, and the  
28 desirability of permitting the Settlement to be consummated, as provided by the

1 terms of the Stipulation, Plaintiff's Counsel has determined that the Settlement is in  
2 the best interests of Plaintiff, Skechers, and its shareholders.

## 3 **II. TERMS OF THE PROPOSED SETTLEMENT**

4 The full terms and conditions of the Settlement are embodied in the  
5 Stipulation, which is on file with the Court. The following identifies the corporate  
6 governance provisions adopted in the Settlement for a period of three years. These  
7 corporate governance provisions are designed to assure the independence of the  
8 Board and several of its principal committees and improve its policies and  
9 procedures. The provisions are the result of arm's-length negotiation between  
10 Plaintiff and Defendants by their respective counsel. The Individual Defendants  
11 have acknowledged that they were aware of and considered Plaintiff's allegations  
12 and demands in connection with the Board's decision to adopt the provisions  
13 described below:

14 (a) The establishment of written guidelines for the future selection  
15 of vacancies on the Board of Directors, including guidelines for defining  
16 independence for independent Board Members.

17 (b) A requirement that at least 50% of Board Members be  
18 independent as defined by SEC and New York Stock Exchange rules, with annual  
19 certification by the Board that this is the case.

20 (c) An expectation that all Board Members attend the annual  
21 meeting of shareholders either in person or via telephonic conference.

22 (d) An expectation that each Board Member will attend at least 75%  
23 of all meetings of the Board and of any Committee on which the Board Member  
24 sits either in person or via telephone conference.

25 (e) A requirement that the position of Lead Independent Director  
26 rotate to another independent Board Member five years from the date of this  
27 Stipulation, after which the position shall rotate among the independent Board  
28 Members every five years.

1 (f) A requirement that the Head of Internal Audit, who is  
2 responsible for reviewing Skechers' internal controls on an ongoing, real time  
3 basis, shall report to the Chair of the Audit Committee.

4 (g) A requirement that each of the Board's three committees, the  
5 Audit Committee, Compensation Committee, and Nominating and Governance  
6 Committee, be made up of three independent directors, and that each director be  
7 chair of no more than two committees at any given time.

8 (h) An expectation that the Board Members shall maintain  
9 ownership of a minimum of 1,000 shares of Skechers common stock during the  
10 time that they are a director.

11 (i) An expectation that the classified Board structure be eliminated  
12 over time so that from and after the 2015 annual meeting all Members shall be  
13 subject to an annual election.

14 (j) An expectation that the Board's outside directors shall  
15 periodically attend a governance program such as the Stanford Directors College or  
16 similar educational program or other ISS accredited program, including a program  
17 that pertains to a Board Member's Committee duties.

18 (k) A requirement that Board membership and biographies, Board  
19 Committee membership and charters, the Corporate Governance Guidelines, and  
20 the Corporate By-laws be made available to the public through the Skechers  
21 website.

22 In addition, as part of the Settlement, Skechers agrees to the following  
23 measures:

24 (a) Skechers will maintain its code of business ethics as required by  
25 the rules of the New York Stock Exchange and rules and regulations promulgated  
26 by the Securities and Exchange Commission under the direction of its General  
27 Counsel with the assistance of Human Resources Department and continue to  
28 provide periodic business ethics and code of conduct training to its employees and

1 additional training to managers with functions that require the approval,  
2 preparation, execution, or dating of documents.

3 (b) All significant advertising campaigns will be reviewed by the  
4 legal department or outside legal counsel for appropriateness and legal conformity.  
5 These reviews will be confidential and protected by the attorney-client privilege.

6 (c) Skechers will continue to abide by all measures described in the  
7 settlement with the Federal Trade Commission in the Stipulated Final Judgment  
8 and Order for Permanent Injunction and Other Equitable Relief in the case *Federal*  
9 *Trade Commission v. Skechers U.S.A., Inc.*, 1:12-cv-01214 (N.D. Ohio May 16,  
10 2012).

11 Finally, the Board of Directors will be permitted to review and amend these  
12 corporate governance measures within their business judgment after three years  
13 from the time such measures are implemented.

### 14 **III. RELEASES**

15 The full terms of the Dismissal and Release of Claims are set forth in the  
16 Stipulation. The following is only a summary.

17 Upon the Effective Date of the Settlement, Skechers and Plaintiff will be  
18 deemed to have released the Released Claims against the Released Persons, both as  
19 defined below. Moreover, the judgment to be entered upon approval of the  
20 Settlement will preclude the filing of any action purporting to litigate the Released  
21 Claims against the Released Persons. Upon the Effective Date, each of the  
22 Individual Defendants will be deemed to have released claims against Skechers,  
23 Plaintiff, and Plaintiff's Counsel from all claims relating to or arising out of, or  
24 connected with the institution, prosecution, assertion, settlement, or resolution of  
25 this Derivative Action or the Released Claims.

26 "Released Claims" means and includes any and all claims, causes of action,  
27 demands, rights or liabilities, including but not limited to, claims for negligence,  
28 gross negligence, professional negligence, breach of duty of care, breach of duty of



1 loyalty, fraud, breach of fiduciary duty, malpractice, breach of contract, negligent  
2 misrepresentation, waste of corporate assets, gross mismanagement, unjust  
3 enrichment, violations of any state or federal statutes, rules or regulations, and any  
4 Unknown Claims as defined below, that have been or that could have been asserted  
5 in this or any other forum or proceeding by Skechers, by Plaintiff derivatively on  
6 behalf of Skechers, or by or on behalf of any of Skechers' stockholders derivatively  
7 on behalf of Skechers, against the Released Persons arising out of, relating to or in  
8 connection with:

9 (a) Any of the facts, circumstances, allegations, claims, causes of action,  
10 representations, statements, reports, disclosures, transactions, events, occurrences,  
11 acts, omissions, or failures to act, of whatever kind or character whatsoever,  
12 irrespective of the state of mind of the actor performing or omitting to perform the  
13 same that have been or could have been alleged in any pleading, amended pleading,  
14 complaint, amended complaint, brief, motion, report, or filing in the litigation; and

15 (b) Any claims for expenses, costs or fees incurred by Skechers for or on  
16 behalf of itself or any of the Released Persons in connection with the investigation,  
17 defense, or settlement of the Litigation, including, but not limited to, attorneys'  
18 fees, costs and any settlement or other expenses (collectively "Defense Expenses"),  
19 except to the extent that Skechers is entitled to reimbursement under any policy of  
20 insurance for or of any such Defense Expenses advanced by it.

21 "Released Persons" means each and all of the Defendants and their Related  
22 Parties. "Related Parties" means each of a Defendant's past or present employees,  
23 partners, principals, agents, underwriters, insurers, co-insurers, re-insurers, any  
24 entity in which the person has a controlling interest, attorneys, accountants,  
25 auditors, advisors, personal or legal representatives, predecessors, successors,  
26 parents, subsidiaries, divisions, joint ventures, assigns, spouses, heirs, associates,  
27 related or affiliated entities, any members of their immediate families, or any trust  
28 of which any Defendant is the settlor or which is for the benefit of any Defendant or

1 member(s) of his or her family.

2 “Unknown Claims” means any Released Claims that Skechers, Plaintiff, or  
3 any of Skechers’ stockholders derivatively on behalf of Skechers do not know or  
4 suspect to exist in his, her, or its favor at the time of the release of the Released  
5 Persons which, if known by him, her, or it, might have affected his, her, or its  
6 settlement with and release of the Released Persons, or might have affected his, her,  
7 or its decision not to object to this settlement. With respect to any and all Released  
8 Claims, upon the Effective Date, the Settling Parties shall be deemed to have, and  
9 by operation of the Final Order and Judgment shall have, expressly waived and  
10 relinquished, to the fullest extent permitted by law, the provisions, rights and  
11 benefits of section 1542 of the California Civil Code, which provides:

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

16 Each of the parties, upon the Effective Date, shall be deemed to have, and by  
17 operation of the Final Order and Judgment shall have, waived any and all  
18 provisions, rights, and benefits conferred by any law of any state or territory of the  
19 United States, or principle of common law, which is similar, comparable, or  
20 equivalent to section 1542 of the California Civil Code. The parties may hereafter  
21 discover facts in addition to or different from those which he, she, or it now knows  
22 or believes to be true with respect to the subject matter of the Released Claims, but  
23 the parties, upon the Effective Date, shall be deemed to have, and by operation of  
24 the Final Order and Judgment shall have, fully, finally and forever settled and  
25 released any and all Released Claims, known or unknown, suspected or  
26 unsuspected, contingent or non-contingent, whether or not concealed or hidden,  
27 which now exist or heretofore have existed upon any theory of law or equity now  
28 existing or coming into existence in the future, including, but not limited to,  
conduct which is negligent, intentional, with or without malice, or a breach of any

1 duty, law or rule, without regard to the subsequent discovery or existence of such  
2 different or additional facts.

3 Nothing herein shall in any way impair or restrict the rights of any party to  
4 enforce the terms of this Stipulation.

#### 5 **IV. ATTORNEYS' FEES AND EXPENSES**

6 After reaching agreement to take the actions set forth above, counsel for the  
7 parties reached agreement concerning the attorneys' fees, costs, and expenses  
8 ("Fees and Expenses"). Plaintiff's Counsel intends to request Court approval of an  
9 award of Fees and Expenses, as well as an award to be paid to Plaintiff for the  
10 additional time, effort, and risk associated with bearing the fiduciary duties of a  
11 derivative plaintiff ("Incentive Award"). Plaintiff's Counsel intends to seek Court  
12 approval of the settlement and an award of Fees and Expenses and Incentive Award  
13 in the amounts of \$350,000 and \$1,000, respectively. The Incentive Award is to be  
14 paid from the Fees and Expenses sought by Plaintiff's Counsel. Counsel for  
15 Defendants have agreed not to oppose an application for Fees and Expenses and an  
16 Incentive Award, which collectively shall not exceed \$350,000.00 in total. The  
17 parties have agreed that subsequent to the Court's approval of the Fees and  
18 Expenses and Incentive Award, Defendants, directly or through their insurer, will  
19 pay to Plaintiff's Counsel the Fees and Expenses and Incentive Award approved by  
20 the Court. Defendants shall not otherwise be required to pay Plaintiff or Plaintiff's  
21 Counsel for any fees, expenses, costs, or other sums incurred in connection with the  
22 Action or otherwise. The Fees and Expenses and Incentive Award shall be paid  
23 within ten business days after the later of (1) entry of the Final Order and  
24 Judgment; (2) receipt by Skechers of the name of the payee(s) and their respective  
25 W-9 forms; and (3) execution of the certificates referenced below.

26 In the event that the Effective Date does not occur, or the Final Order and  
27 Judgment is reversed or modified on appeal, and in the event that Defendants have  
28 made any payments to the Fees and Expenses and Incentive Award, then Plaintiff

1 or Plaintiff's Counsel shall within ten (10) business days from receiving notice  
2 from Defendants' attorneys or from a court of appropriate jurisdiction, refund to  
3 Defendants or their insurers the Fees and Expenses and Incentive Award previously  
4 paid to them, in an amount consistent with such reversal or modification.  
5 Plaintiff's Counsel, as a condition of receiving such Fees and Expenses and  
6 Incentive Award, on behalf of itself and each partner or shareholder of it, agrees  
7 (and will execute a certificate evidencing its agreement) that Plaintiff's Counsel and  
8 its partners or shareholders are subject to the jurisdiction of the Court for the  
9 purpose of enforcing this section of the Stipulation. Without limitation, Plaintiff's  
10 Counsel and its partners or shareholders agree (and will execute a certificate  
11 evidencing its agreement) that the Court may, upon application by Skechers or the  
12 Individual Defendants, summarily issue orders, including but not limited to,  
13 judgments and attachment orders, and may make appropriate findings of or  
14 sanctions for contempt, against them or any of them should Plaintiff or Plaintiff's  
15 Counsel fail timely to repay Fees and Expenses and Incentive Award pursuant to  
16 this section of the Stipulation.

17 **V. THE HEARING AND YOUR RIGHTS AS SHAREHOLDERS**

18 A hearing will be held on November 10, 2014, at 1:30 p.m. before the  
19 Honorable Philip S. Gutierrez, United States District Judge, at United States  
20 Courthouse, Courtroom 880, Edward R. Roybal Federal Building, 255 East Temple  
21 Street, Los Angeles, CA, 90012, for the purpose of determining: (a) whether the  
22 Settlement of this action on the terms and conditions provided for in the Stipulation  
23 is fair, reasonable, and adequate to current Skechers shareholders and to Skechers  
24 and should be approved by the Court; (b) whether the proposed Final Judgment  
25 should be entered herein, including its following provisions: (i) approving the  
26 Settlement, including the release of all Released Claims against the Released  
27 Persons, as fair, reasonable, adequate, and in the best interest of Skechers; (ii)  
28 dismissing the Derivative Action with prejudice; (iii) authorizing payment of Fees

1 and Expenses not exceeding \$350,000.00 in total; and (iv) authorizing payment of  
2 an Incentive Award to Plaintiff not exceeding \$1,000.00 to be paid from the Fees  
3 and Expenses sought by Plaintiff's Counsel. The hearing may be adjourned from  
4 time to time by the Court at the hearing or any adjourned session thereof without  
5 further notice other than by announcement of such adjournment.

6 Any current Skechers shareholder may object to the Settlement, Plaintiff's  
7 Counsel's request for attorney's fees and expenses, or Plaintiff's request for an  
8 incentive award, provided, however, that he, she, or it files with the Court and  
9 sends to the parties' counsel a signed letter or other written submission saying that  
10 he, she, or it objects to the Settlement in *Basaraba v. Greenberg, et al.*, Case NO.  
11 CV-13-05061-PSG (SHx), and includes: (i) his, her, or its name, address, email  
12 address and telephone number; (ii) how many Skechers shares he, she, or it owned  
13 as of January 1, 2008, whether he, she, or it still owns those shares, and the initial  
14 purchase date of those shares; (iii) a detailed description of his, her, or its specific  
15 objections to any matter before the Court, and all the grounds for his, her, or its  
16 objections to the Settlement, including any documents he, she, or it wishes the  
17 Court to consider; and (iv) his, her, or its most recent brokerage account statement  
18 evidencing current ownership of shares of Skechers' common stock and account  
19 statements evidencing continuing ownership from January 1, 2008, through the date  
20 of the Settlement Hearing. If such shareholder also intends to appear at the  
21 Settlement Hearing, such shareholder must also state his, her, or its intention to  
22 appear and provide the names of all witnesses he, she, or it wishes to present at the  
23 hearing, along with a statement of the matters on which such witnesses will testify  
24 and a summary of their proposed testimony. The objection and any supporting  
25 papers must be filed with the Court, by hand, mail, or overnight delivery, and  
26 received by Plaintiff's Counsel and Individual Defendants' and Skechers' Counsel,  
27 by hand, mail, overnight delivery, fax, or email, at the addresses provided below no  
28 later than October 27, 2014.

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Weinberg, Richard Siskind, Geyer Kosinski,  
Morton Erlich, Richard A. Rappaport, and Thomas  
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Attorney for Nominal Defendant Skechers U.S.A.,  
Inc.

CLERK OF THE COURT  
UNITED STATES DISTRICT COURT  
CENTRAL DISTRICT OF CALIFORNIA  
WESTERN DIVISION  
255 East Temple Street  
Los Angeles, CA 90012

1 Any current Skechers shareholder who does not make his, her, or its  
2 objection in the manner provided herein shall be deemed to have waived such  
3 objection and shall forever be foreclosed from making any objection to the fairness,  
4 reasonableness, or adequacy of the Settlement as incorporated in the Stipulation in  
5 this or any other action or proceeding relating to the aforementioned Settlement, but  
6 shall otherwise be bound by the Judgment to be entered.

7 **VI. DISMISSAL AND RELEASE**

8 Should the Settlement be approved by the Court following the Settlement  
9 Hearing, the Court will enter a Final Order and Judgment that:

10 1. Finds that the publication of the Notice, as described in the Stipulation,  
11 has been accomplished as directed and has provided the best notice practicable  
12 under the circumstances and has met the requirements of due process;

13 2. Approves the Settlement, including the Releases of the Released  
14 Persons, as fair, reasonable, and adequate to Skechers and its shareholders; and

15 3. Permanently bars any action asserting or relating in any way to the  
16 Released Claims.

17 **VII. EXAMINATION OF PAPERS AND INQUIRIES**

18 For a more detailed statement of the matters involved in this Derivative  
19 Action, reference is made to the pleadings, to the Stipulation, and to all other papers  
20 publicly filed in this Action, which may be inspected at the Office of the Clerk for  
21 the United States District Court for the Central District of California, Western  
22 Division, 312 North Spring Street, Los Angeles, CA, 90012, during regular  
23 business hours of each business day or at any time via the internet through the  
24 Public Access to Court Electronic Records (PACER) public access service.

25 If you have any questions about this case, you should contact Plaintiffs'  
26 Counsel by writing:

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**PLEASE DO NOT ADDRESS INQUIRIES TO THE COURT**