

COHN LIFLAND PEARLMAN
HERRMANN & KNOPF LLP
PETER S. PEARLMAN
JEFFREY W. HERRMANN
Park 80 West – Plaza One
250 Pehle Avenue, Suite 401
Saddle Brook, NJ 07663
Telephone: 201/845-9600
201/845-9423 (fax)

Liaison Counsel

[Additional counsel appear on signature page.]

UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY

In re INTERCLOUD SYSTEMS, INC. SECURITIES LITIGATION <hr/> This Document Relates To: ALL ACTIONS. <hr/>) Master Docket No.) 3:14-01982-PGS-DEA)) <u>CLASS ACTION</u>)) NOTICE OF NON-OBJECTION TO:) (1) LEAD PLAINTIFF’S MOTION) FOR FINAL APPROVAL OF) SETTLEMENT AND APPROVAL OF) PLAN OF ALLOCATION; AND (2)) LEAD COUNSEL’S MOTION FOR) ATTORNEYS’ FEES AND) PAYMENT OF LITIGATION) EXPENSES, AND) REIMBURSEMENT OF LEAD) PLAINTIFF’S EXPENSES
---	---

Lead Plaintiff, Charles R. Gilbert, Jr., on behalf of himself and the Class, and Lead Counsel respectfully submit this notice of non-objection in further support of: (1) Lead Plaintiff's Motion for Final Approval of Settlement and Approval of Plan of Allocation (Dkt. No. 130); and (2) Lead Counsel's Motion for Attorneys' Fees and Payment of Litigation Expenses, and Reimbursement of Lead Plaintiff's Expenses (Dkt. No. 131).

I. PRELIMINARY STATEMENT

Lead Plaintiff and Lead Counsel are very pleased to advise the Court of the overwhelmingly positive reaction of the Class to the proposed Settlement and the motion for fees and expenses. More than 14,300 notice packets have been mailed to potential Class Members and nominees¹ and summary notice was published in *The Wall Street Journal* and transmitted over the *Business Wire*² in accordance with the notice program directed by the Court in its Order dated August 25, 2017 (the "Notice Order") (Dkt. No. 127). The November 13, 2017 deadline for objections and exclusions has passed and we have received no objections to the Settlement and the related relief or any requests for exclusion from the Class. Additionally, it is

¹ See Supplemental Declaration of Nashira McCoy Regarding Notice Dissemination, Requests for Exclusion Received to Date, and Interim Claims Processing ("Supplemental McCoy Decl."), ¶¶5-7, submitted herewith.

² See Declaration of Nashira McCoy Regarding Notice Dissemination, Publication, Requests for Exclusion Received to Date, and Interim Claims Processing ("McCoy Decl."), ¶15 (Dkt. No. 130-3).

noteworthy that no public pension fund or other large institutional investor has objected to the Settlement, the Plan of Allocation, or the request for attorneys' fees and expenses, or requested exclusion from the Class.

Lead Plaintiff and Lead Counsel respectfully submit that the lack of objection and lack of exclusions is compelling evidence that the Settlement, the Plan of Allocation, and the fee and expense request are fair and reasonable and should be approved by the Court.

ARGUMENT

II. THE REACTION OF THE CLASS FULLY SUPPORTS APPROVAL OF THE SETTLEMENT, THE PLAN OF ALLOCATION, AND THE REQUESTED ATTORNEYS' FEES AND EXPENSES

The Third Circuit considers the reaction of the class an important factor in connection with the approval of a proposed class action settlement and a request for attorneys' fees and expenses. *See Girsh v. Jepson*, 521 F.2d 153, 157 (3d Cir. 1975); *Gunter v. Ridgewood Energy Corp.*, 223 F.3d 190, 195 n.1 (3d Cir. 2000).

The fact that the Class' reaction here is resoundingly positive is strong evidence that the Settlement is fair, adequate, and in the best interests of the Class. "[T]he Third Circuit Court of Appeals has recognized the practical conclusion that it is generally appropriate to assume that 'silence constitutes tacit consent to the agreement' in the class settlement context." *Harlan v. Transworld Sys., Inc.*, No. 13-5882, 2015 WL 505400, at *8 (E.D. Pa. Feb. 6, 2015) (citing *Bell Atl. Corp. v. Bolger*,

2 F.3d 1304, 1313 n.15 (3d Cir. 1993)). “The vast disparity between the number of potential class members who received notice of the Settlement and the number of objectors creates a strong presumption . . . in favor of the Settlement.” *In re Cendant Corp. Litig.*, 264 F.3d 201, 235 (3d Cir. 2001); *see also Stoezner v. United States Steel Corp.*, 897 F.2d 115, 119 (3d Cir. 1990) (objections by 29 members of a class comprised of 281 “strongly favors settlement”). As noted, not a single pension fund or other similar institution has objected to any aspect of the Settlement.

Similarly, the fact that there are no objections to the proposed Plan of Allocation provides strong support for the plan. *See Maley v. Del Global Techs. Corp.*, 186 F. Supp. 2d 358, 367 (S.D.N.Y. 2002) (finding that “the favorable reaction of the Class supports approval of the proposed Plan of Allocation”).

Finally, it is also well recognized that no or minimal objections to a fee request represent powerful evidence that the request is fair. *See, e.g., In re Schering-Plough Corp. ENHANCE ERISA Litig.*, No. 08-1432, 2012 WL 1964451, at *6 (D.N.J. May 31, 2012) (“The lack of objections to the requested attorneys’ fees supports the request, especially because the settlement class includes large, sophisticated institutional investors.”) (quoting *Smith v. Dominion Bridge Corp.*, No. 96-7580, 2007 WL 1101272, at *8 (E.D. Pa. Apr. 11, 2007)); *In re Aetna Inc. Sec. Litig.*, No. Civ. A. MDL 1219, 2001 WL 20928, at *15 (E.D. Pa. Jan. 4, 2001) (“[T]he Class

members' view of the attorneys' performance, inferred from the lack of objections to the fee petition, supports the fee award.'").

Accordingly, the overwhelmingly positive response of the Class here fully supports both the approval of the Settlement and Plan of Allocation and the award of attorneys' fees and expenses, including Lead Plaintiff's expenses.

III. CONCLUSION

For the reasons set forth herein and in Lead Plaintiff's and Lead Counsel's initial memoranda of law and declarations in support of the motions, Lead Plaintiff and Lead Counsel respectfully request that the Court approve the proposed Settlement as fair, reasonable, and adequate; approve the proposed Plan of Allocation; approve Lead Counsel's request for attorneys' fees and payment of litigation expenses; and approve Lead Plaintiff's expenses. Proposed orders, including the Judgment negotiated by the parties as an exhibit to the Stipulation of Settlement, are submitted herewith.

DATED: November 28, 2017

Respectfully submitted,

COHN LIFLAND PEARLMAN
HERRMANN & KNOPF LLP
PETER S. PEARLMAN
JEFFREY W. HERRMANN

/s/ Peter S. Pearlman

PETER S. PEARLMAN

Park 80 West – Plaza One
250 Pehle Avenue, Suite 401
Saddle Brook, NJ 07663
Telephone: 201/845-9600
201/845-9423 (fax)

Liaison Counsel

ROBBINS GELLER RUDMAN
& DOWD LLP
JACK REISE
STEPHEN R. ASTLEY
120 East Palmetto Park Road, Suite 500
Boca Raton, FL 33432
Telephone: 561/750-3000
561/750-3364 (fax)

ROBBINS GELLER RUDMAN
& DOWD LLP
ELLEN GUSIKOFF STEWART
655 West Broadway, Suite 1900
San Diego, CA 92101-8498
Telephone: 619/231-1058
619/231-7423 (fax)

Lead Counsel for Plaintiffs

COHN LIFLAND PEARLMAN
HERRMANN & KNOPF LLP
PETER S. PEARLMAN
JEFFREY W. HERRMANN
Park 80 West – Plaza One
250 Pehle Avenue, Suite 401
Saddle Brook, NJ 07663
Telephone: 201/845-9600
201/845-9423 (fax)

Liaison Counsel

UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY

In re INTERCLOUD SYSTEMS, INC.)	Master Docket No.
SECURITIES LITIGATION)	3:14-01982-PGS-DEA
_____)	
This Document Relates To:)	<u>CLASS ACTION</u>
ALL ACTIONS.)	SUPPLEMENTAL DECLARATION
_____)	OF NASHIRA MCCOY REGARDING
)	NOTICE DISSEMINATION,
)	REQUESTS FOR EXCLUSION
)	RECEIVED TO DATE, AND
)	INTERIM CLAIMS PROCESSING

I, NASHIRA MCCOY, declare:

1. I am employed as a Senior Project Manager by Gilardi & Co. LLC (“Gilardi”), located at 3301 Kerner Blvd., San Rafael, California. Pursuant to its August 25, 2017 Order Preliminarily Approving Settlement and Providing for Notice (Dkt. No. 127) (the “Notice Order”), the Court appointed Gilardi to serve as the Claims Administrator in connection with the proposed settlement of the above-captioned action (the “Litigation”). I oversaw the notice services that Gilardi provided in accordance with the Notice Order.

2. I submit this supplemental declaration in order to provide the Court and the parties to the Litigation with updated information regarding: (i) the mailing of the Court-approved Notice of Proposed Settlement of Class Action (the “Notice”) and the Proof of Claim and Release (the “Proof of Claim”) (collectively, the “Notice Package”), (ii) the receipt of requests for exclusion, and (iii) interim claims processing.

3. I am over 21 years of age and am not a party to this Litigation. I have personal knowledge of the facts set forth herein and, if called as a witness, could and would testify competently thereto.

4. On October 31, 2017, I executed my original declaration (“Initial Mailing Declaration”), which was filed with the Court the same day (Dkt. No. 130-3),

detailing, among other things, the initial mailing of the Notice Package, receipt of requests for exclusion received as of October 31, 2017, and interim claims processing.

UPDATE ON DISSEMINATION OF THE NOTICE PACKAGE

5. As more fully stated in my Initial Mailing Declaration, as of October 31, 2017, Gilardi mailed a total of 11,765 Notice Packages to potential Class Members and nominees. Initial Mailing Declaration, ¶12.

6. During the time period from November 1, 2017 through the date of this declaration, Gilardi has caused an additional 2,586 Notice Packages to be mailed in response to correspondence received from potential Class Members and nominees.

7. Therefore, as of the date of this declaration, Gilardi has mailed a total of 14,351 Notice Packages to potential Class Members and nominees.

REPORT ON EXCLUSION REQUESTS RECEIVED TO DATE

8. As stated in my Initial Mailing Declaration, the Notice informed potential Class Members that written requests for exclusion from the Class must be mailed to Gilardi, such that the request is postmarked no later than November 13, 2017. As reported in my Initial Mailing Declaration, as of October 31, 2017, Gilardi had not received any requests for exclusion.

9. As of the date of this declaration, Gilardi has not received any requests for exclusion.

INTERIM CLAIMS PROCESSING

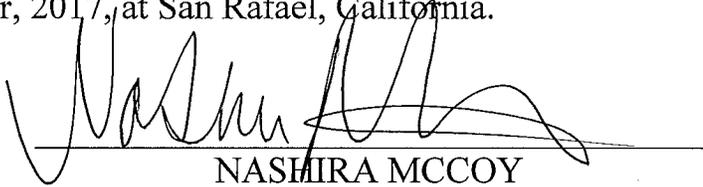
10. As stated in my Initial Mailing Declaration, the Notice informs potential Class Members that in order to be eligible to receive a payment from the Settlement they must complete and submit a Proof of Claim, to be postmarked or submitted online no later than January 12, 2018.

11. As of October 31, 2017, Gilardi had received and partially processed a total of 407 Proofs of Claim. Initial Mailing Declaration, ¶19.

12. Since October 31, 2017, Gilardi has received and partially processed an additional 27 Proofs of Claim. Therefore, the total number of Proofs of Claim received and partially processed to date is 434.

I declare under penalty of perjury that the foregoing is true and correct.

Executed this 27th day of November, 2017, at San Rafael, California.


NASHIRA MCCOY

COHN LIFLAND PEARLMAN
HERRMANN & KNOPF LLP
PETER S. PEARLMAN
JEFFREY W. HERRMANN
Park 80 West – Plaza One
250 Pehle Avenue, Suite 401
Saddle Brook, NJ 07663
Telephone: 201/845-9600
201/845-9423 (fax)

Liaison Counsel

UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY

In re INTERCLOUD SYSTEMS, INC.)	Master Docket No.
SECURITIES LITIGATION)	3:14-01982-PGS-DEA
_____)	
)	<u>CLASS ACTION</u>
This Document Relates To:)	
)	[PROPOSED] ORDER AND FINAL
ALL ACTIONS.)	JUDGMENT
_____)	

On the 5th day of December, 2017, a hearing having been held before this Court to determine: (1) whether the terms and conditions of the Stipulation of Settlement, dated July 26, 2017 (the “Stipulation”), are fair, reasonable and adequate for the settlement of all claims asserted by the Class against the Defendants in the complaint now pending in this Court under the above caption (the “Litigation”), including the release of the Released Persons, and should be approved; (2) whether judgment should be entered dismissing the complaint on the merits and with prejudice in favor of the Defendants herein and as against all persons or entities who are Members of the Class herein who have not timely and validly requested exclusion therefrom; (3) whether to approve the Plan of Allocation as a fair and reasonable method to allocate the settlement proceeds among the Members of the Class; and (4) whether and in what amount to award Lead Plaintiff’s Counsel fees and expenses and Lead Plaintiff’s expenses. The Court having considered all matters submitted to it at the hearing and otherwise; and it appearing that a notice of the hearing, substantially in the form approved by the Court, was mailed to all individuals and entities, reasonably identifiable, who purchased or otherwise acquired InterCloud Systems, Inc. publicly traded common stock during the period between December 3, 2013 and March 27, 2014, inclusive (the “Class Period”), as shown by the records compiled by the Claims Administrator in connection with its mailing of the Notice, at the respective addresses set forth in such records, and that a summary notice of the hearing, substantially in the

form approved by the Court, was published pursuant to the Order Preliminarily Approving Settlement and Providing for Notice as set forth in the Declaration of Nashira McCoy, and the Supplemental Declaration of Nashira McCoy; and the Court having considered and determined the fairness and reasonableness of the award of attorneys' fees and expenses requested by Lead Plaintiff's Counsel; and all capitalized terms used herein having the meanings set forth and defined in the Stipulation.

NOW, THEREFORE, IT IS HEREBY ORDERED THAT:

1. The Court has jurisdiction over the subject matter of this Litigation, the Lead Plaintiff, all Class Members, and Defendants.

2. For purposes of Settlement only, the Court finds that the prerequisites for a class action under Federal Rules of Civil Procedure 23(a) and (b)(3) have been satisfied in that: (a) the number of Class Members is so numerous that joinder of all members thereof is impracticable; (b) there are questions of law and fact common to the Class; (c) the claims of Lead Plaintiff are typical of the claims of the Class he seeks to represent; (d) Lead Plaintiff and Lead Counsel have and will fairly and adequately represent the interests of the Class; (e) the questions of law and fact common to the Members of the Class predominate over any questions affecting only individual Class Members; and (f) a class action is superior to other available methods for the fair and efficient adjudication of the controversy.

3. Pursuant to Rule 23 of the Federal Rules of Civil Procedure and for purposes of the Settlement only, this Court hereby finally certifies this action as a class action on behalf of all Persons who purchased or otherwise acquired InterCloud publicly traded common stock between December 3, 2013 and March 27, 2014, inclusive. Excluded from the Class are: Defendants, the officers and directors of InterCloud during the Class Period, members of their immediate families and their legal representatives, heirs, successors or assigns, and any entity in which Defendants have or had a controlling interest. By definition, also excluded from the Class are those Persons who timely and validly exclude themselves therefrom, of which there are none.

4. Notice of the pendency of this Litigation as a class action and of the proposed Settlement was given to all Class Members who could be identified with reasonable effort. The form and method of notifying the Class of the pendency of this Litigation as a class action and of the terms and conditions of the proposed Settlement met the requirements of Rule 23 of the Federal Rules of Civil Procedure, Section 21 of the Securities Exchange Act of 1934, 15 U.S.C. §78u-4(a)(7), as amended by the Private Securities Litigation Reform Act of 1995 (the “PSLRA”), due process, and any other applicable law, constituted the best notice practicable under the circumstances, and constituted due and sufficient notice to all individuals and entities entitled thereto.

5. The Settlement is approved as fair, reasonable and adequate, and in the best interests of the Class. Subject to the terms and provisions of the Stipulation and the conditions therein being satisfied, the parties are directed to consummate the Settlement.

6. The Litigation is hereby dismissed in its entirety with prejudice.

7. The releases as set forth in ¶¶4.1-4.4 of the Stipulation (the “Releases”), together with the definitions contained in ¶¶1.1-1.30 relating thereto, are expressly incorporated herein in all respects. The Releases are effective as of the Effective Date.

8. Upon the Effective Date, Lead Plaintiff and each of the Class Members who have not timely opted out of the Class (“Class Releasers”) are hereby permanently barred and enjoined from the assertion, institution, maintenance, prosecution, or enforcement against Defendants or any Released Persons in any state or federal court or arbitral forum, or in the court of any foreign jurisdiction, of any and all Released Claims (including Unknown Claims), as well as any other claims arising out of, relating to, or in connection with, the defense, settlement, or resolution of the Litigation or the Released Claims.

9. Upon the Effective Date, Lead Plaintiff shall, and each of the Class Members shall be deemed to have, fully, finally, and forever released, relinquished, and discharged all Released Claims against the Released Persons. Lead Plaintiff and

each Class Member are bound by this Judgment including, without limitation, the release of claims as set forth in the Stipulation. The Released Claims are hereby compromised, settled, released, discharged, and dismissed as against the Released Persons on the merits and with prejudice by virtue of the proceedings herein and this Order and Final Judgment.

10. Upon the Effective Date, each of the Released Persons shall be deemed to have, and by operation of the Judgment shall have, fully, finally, and forever released, relinquished, and discharged Lead Plaintiff, each and all of the Class Members, and Lead Plaintiff's Counsel from all claims (including Unknown Claims) arising out of, relating to, or in connection with the institution, prosecution, assertion, settlement, or resolution of the Litigation or the Released Defendants' Claims.

11. Neither this Order and Final Judgment, the Stipulation, nor any of its terms and provisions, nor any of the negotiations, discussions, or proceedings connected with it, nor any act performed or document executed pursuant to or in furtherance of the Stipulation or the Settlement, nor any of the documents or statements referred to therein, nor any payment or consideration provided for therein, shall be:

(a) offered or received against the Released Persons as evidence of or construed as or deemed to be evidence of any presumption, concession or admission by any of the Released Persons with respect to the truth of any fact alleged by the

Lead Plaintiff or the validity of any claim that has been or could have been asserted in this Litigation, or the deficiency of any defense that has been or could have been asserted in this Litigation, or of any liability, negligence, fault, or wrongdoing of the Released Persons;

(b) offered or received against the Released Persons as evidence of a presumption, concession or admission of any fault, misrepresentation or omission with respect to any statement or written document approved or made by any of the Released Persons;

(c) offered or received against the Released Persons as evidence of a presumption, concession or admission with respect to any liability, negligence, fault or wrongdoing, or in any way referred to for any other reason as against any of the Released Persons, in any other civil, criminal or administrative action or proceeding, other than such proceedings as may be necessary to effectuate the provisions of the Stipulation; provided, however, that the Released Persons may refer to it to effectuate the liability protection granted them hereunder;

(d) construed against the Released Persons as an admission or concession that the consideration to be given hereunder represents the amount which could be or would have been recovered after trial; or

(e) construed as or received in evidence as an admission, concession or presumption against Lead Plaintiff or any of the Class Members that any of their

claims are without merit, or that any defenses asserted by the Released Persons have any merit, or that damages recoverable under the complaint would not have exceeded the Settlement Fund.

12. Notwithstanding the provisions of the preceding paragraph, the Released Persons may file the Stipulation and/or this Judgment in any action that may be brought against them in order to support a defense, claim, or counterclaim based on principles of *res judicata*, collateral estoppel, release, good faith settlement, judgment bar or reduction, or any other theory of claim preclusion or issue preclusion or similar defense or counterclaim.

13. The Court finds that Defendants have satisfied their financial obligations under the Stipulation by paying or causing to be paid \$2,700,000 to the Settlement Fund.

14. The Court finds and concludes that the Lead Plaintiff, Lead Plaintiff's Counsel, Defendants and counsel to the Defendants have complied with each requirement of Rule 11(b) of the Federal Rules of Civil Procedure as to any complaint, responsive pleading, dispositive motion, or other filing.

15. Any Plan of Allocation submitted by Lead Counsel or any order entered regarding any attorneys' fee and expense application shall in no way disturb or affect this Judgment and shall be considered separate from this Judgment. Separate orders

shall be entered regarding approval of a plan of allocation and Lead Counsel's application for an award of attorneys' fees and expenses.

16. Any appeal or any challenge affecting the approval of (a) the Plan of Allocation submitted by Lead Counsel and/or (b) this Court's approval regarding any attorneys' fee and expense applications shall in no way disturb or affect the finality of the other provisions of this Order and Final Judgment nor the Effective Date of the Settlement.

17. Jurisdiction is hereby retained over Defendants, the Lead Plaintiff and the Class Members for all matters relating to the administration, interpretation, effectuation or enforcement of the Stipulation and this Order and Final Judgment, including any application for fees and expenses incurred in connection with administering and distributing the settlement proceeds to the Members of the Class.

18. In the event that the Settlement does not become Effective in accordance with the terms of the Stipulation, or is terminated pursuant to ¶7.3 of the Stipulation, ¶¶7.5-7.6 of the Stipulation shall apply and this Judgment shall be rendered null and void to the extent provided by and in accordance with the Stipulation and shall be vacated and may not be introduced as evidence or reflected in any action or proceeding by any person or entity, and each party shall be restored to his, her or its respective position as it existed prior to March 26, 2017.

19. Without further order of the Court, the parties may agree to reasonable extensions of time to carry out any of the provisions of the Stipulation.

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

21. There is no just reason for delay in the entry of this Order and Final Judgment and immediate entry by the Clerk of the Court is expressly directed.

DATED: _____

HONORABLE PETER G. SHERIDAN
UNITED STATES DISTRICT JUDGE

COHN LIFLAND PEARLMAN
HERRMANN & KNOPF LLP
PETER S. PEARLMAN
JEFFREY W. HERRMANN
Park 80 West – Plaza One
250 Pehle Avenue, Suite 401
Saddle Brook, NJ 07663
Telephone: 201/845-9600
201/845-9423 (fax)

Liaison Counsel

UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY

In re INTERCLOUD SYSTEMS, INC.)	Master Docket No.
SECURITIES LITIGATION)	3:14-01982-PGS-DEA
_____)	
This Document Relates To:)	<u>CLASS ACTION</u>
ALL ACTIONS.)	[PROPOSED] ORDER APPROVING
_____)	PLAN OF ALLOCATION

This matter having come before the Court on December 5, 2017, on Lead Plaintiff's motion for approval of the Plan of Allocation in the above-captioned action; the Court having considered all papers filed and proceedings had herein and otherwise being fully informed in the premises;

IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that:

1. This Order incorporates by reference the definitions in the Stipulation of Settlement dated July 26, 2017 (the "Stipulation"), and all capitalized terms used, but not defined herein, shall have the same meanings as set forth in the Stipulation.

2. Pursuant to and in full compliance with Rule 23 of the Federal Rules of Civil Procedure, this Court hereby finds and concludes that due and adequate notice was directed to all persons who are Class Members who could be identified with reasonable effort, advising them of the Plan of Allocation and of their right to object thereto, and a full and fair opportunity was accorded to all persons and entities who are Class Members to be heard with respect to the Plan of Allocation.

3. The Court finds and concludes that the formula for the calculation of the claims of Authorized Claimants which is set forth in the Notice of Proposed Settlement of Class Action (the "Notice") sent to Class Members provides a fair and reasonable basis upon which to allocate the proceeds of the Net Settlement Fund established by the Stipulation among the Class Members, with due consideration having been given to administrative convenience and necessity.

4. This Court finds and concludes that the Plan of Allocation, as set forth in the Notice, is, in all respects, fair and reasonable and the Court approves the Plan of Allocation.

DATED: _____

HONORABLE PETER G. SHERIDAN
UNITED STATES DISTRICT JUDGE

COHN LIFLAND PEARLMAN
HERRMANN & KNOPF LLP
PETER S. PEARLMAN
JEFFREY W. HERRMANN
Park 80 West – Plaza One
250 Pehle Avenue, Suite 401
Saddle Brook, NJ 07663
Telephone: 201/845-9600
201/845-9423 (fax)

Liaison Counsel

UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY

In re INTERCLOUD SYSTEMS, INC.)	Master Docket No.
SECURITIES LITIGATION)	3:14-01982-PGS-DEA
_____)	
This Document Relates To:)	<u>CLASS ACTION</u>
ALL ACTIONS.)	[PROPOSED] ORDER AWARDING
_____)	ATTORNEYS' FEES AND
)	EXPENSES AND AWARD TO LEAD
)	PLAINTIFF PURSUANT TO 15
)	U.S.C. §78u-4(a)(4)

This matter having come before the Court on December 5, 2017, on the motion of Lead Counsel for an award of attorneys' fees and expenses (the "Fee Motion"), the Court, having considered all papers filed and proceedings conducted herein, having found the Settlement of this Litigation to be fair, reasonable and adequate, and otherwise being fully informed in the premises and good cause appearing therefore;

IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that:

1. This Order incorporates by reference the definitions in the Stipulation of Settlement dated July 26, 2017 (the "Stipulation"), and all capitalized terms used, but not defined herein, shall have the same meanings as set forth in the Stipulation.

2. This Court has jurisdiction over the subject matter of this application and all matters relating thereto, including all Members of the Class who have not timely and validly requested exclusion.

3. Notice of Lead Counsel's Fee Motion was given to all Class Members who could be located with reasonable effort. The form and method of notifying the Class of the Fee Motion met the requirements of Rule 23 of the Federal Rules of Civil Procedure and 15 U.S.C. §78u-4(a)(7), the Securities Exchange Act of 1934, as amended by the Private Securities Litigation Reform Act of 1995, due process, and any other applicable law, constituted the best notice practicable under the circumstances, and constituted due and sufficient notice to all persons and entities entitled thereto.

4. The Court hereby awards Lead Counsel attorneys' fees of 30% of the Settlement Amount (or \$810,000), plus expenses in the amount of \$156,629.59, together with the interest earned on both amounts for the same time period and at the same rate as that earned on the Settlement Fund until paid. The Court finds that the amount of fees awarded is appropriate and that the amount of fees awarded is fair and reasonable under the "percentage-of-recovery" method.

5. The awarded attorneys' fees and expenses and interest earned thereon, shall be paid to Lead Counsel subject to the terms, conditions, and obligations of the Stipulation, and in particular, ¶6.2 thereof, which terms, conditions, and obligations are incorporated herein.

6. In making this award of fees and expenses to Lead Counsel, the Court has considered and found that:

(a) the Settlement has created a fund of \$2,700,000 in cash that is already on deposit, and numerous Class Members who submit, or have submitted, valid Proof of Claim and Release forms will benefit from the Settlement created by Lead Plaintiff's Counsel;

(b) over 14,300 copies of the Notice were disseminated to potential Class Members indicating that Lead Counsel would move for attorneys' fees in an amount not to exceed 30% of the Settlement Amount and for expenses in an amount

not to exceed \$200,000, plus interest earned on both amounts, and no objections to the fees or expenses were filed by Class Members;

(c) Lead Plaintiff's Counsel have pursued the Litigation and achieved the Settlement with skill, perseverance and diligent advocacy;

(d) Lead Plaintiff's Counsel have expended substantial time and effort pursuing the Litigation on behalf of the Class;

(e) Lead Plaintiff's Counsel pursued the Litigation on a contingent basis, having received no compensation during the Litigation, and any fee amount has been contingent on the result achieved;

(f) the Litigation involves complex factual and legal issues and, in the absence of settlement, would involve lengthy proceedings whose resolution would be uncertain;

(g) had Lead Plaintiff's Counsel not achieved the Settlement, there would remain a significant risk that the Class may have recovered less or nothing from Defendants;

(h) Lead Plaintiff's Counsel have devoted over 4,500 hours, with a lodestar value of \$2,662,359.25, to achieve the Settlement;

(i) public policy concerns favor the award of reasonable attorneys' fees and expenses in securities class action litigation; and

(j) the attorneys' fees and expenses awarded are fair and reasonable and consistent with awards in similar cases within the Third Circuit.

7. Any appeal or any challenge affecting this Court's approval regarding the Fee Motion shall in no way disturb or affect the finality of the Judgment entered with respect to the Settlement.

8. Pursuant to 15 U.S.C. §78u-4(a)(4), the Court awards \$15,400.00 to Lead Plaintiff Charles R. Gilbert, Jr. for the time he spent directly related to his representation of the Class.

9. In the event that the Settlement is terminated or does not become Final or the Effective Date does not occur in accordance with the terms of the Stipulation, this Order shall be rendered null and void to the extent provided in the Stipulation and shall be vacated in accordance with the Stipulation.

DATED: _____

HONORABLE PETER G. SHERIDAN
UNITED STATES DISTRICT JUDGE