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**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK**

IN RE DG FASTCHANNEL, INC.
SECURITIES LITIGATION

:
:
: No. 10 Civ. 6523 (RJS)
:
: ~~PROPOSED~~ **PRELIMINARY**
: **APPROVAL ORDER**
: **PROVIDING FOR NOTICE AND**
: **HEARING IN CONNECTION**
: **WITH PROPOSED CLASS**
: **ACTION SETTLEMENT**
:
:

WHEREAS, as of June 16, 2011, the Norfolk County Retirement System (“Lead Plaintiff”), on behalf of itself and the Class, and the Defendants¹ entered into a Stipulation and Agreement of Settlement (the “Stipulation”) in the above-titled litigation (the “Litigation”), which is subject to review under Rule 23 of the Federal Rules of Civil Procedure and which, together with the exhibits thereto, sets forth the terms and conditions of the proposed settlement of the claims alleged in the Consolidated Amended Class Action Complaint (the “Complaint”) against the Defendants on the merits and with prejudice (the “Settlement”); and the Court having read and considered the Stipulation and the accompanying exhibits; and the Settling Parties to the Stipulation having consented to the entry of this Order; and all capitalized terms used in this Order that are not otherwise defined herein having the meanings defined in the Stipulation;

NOW, THEREFORE, IT IS HEREBY ORDERED, this 22nd day of June, 2011 that:

1. The Court has reviewed the Stipulation and preliminarily finds the Settlement set forth therein to be fair, reasonable and adequate, subject to further consideration at the Settlement Hearing described below.

¹ The Defendants are: DG Fastchannel, Inc. (“DG” or the “Company”), Scott K. Ginsburg (“Ginsburg”), Neil H. Nguyen (“Nguyen”), and Omar A. Choucair (“Choucair”).

2. Pursuant to Rules 23(a) and (b)(3) of the Federal Rules of Civil Procedure, the Court hereby certifies, for the purposes of the Settlement only, the Litigation as a class action on behalf of all Persons who purchased or otherwise acquired the publicly traded securities of DG during the period from February 16, 2010 through and including August 29, 2010 (the "Class Period"), and who were allegedly damaged thereby (the "Class"). Excluded from the Class are: Defendants; members of the Individual Defendants' immediate families; the officers and directors of DG from February 16, 2010 through and including August 29, 2010; the subsidiaries and affiliates of DG; any entity in which any Defendant has a controlling interest or which is related to, or affiliated with, any Defendant; and the legal representatives, heirs, successors-in-interest, or assigns of any such excluded party. Also excluded from the Class are any proposed Class Members who properly exclude themselves by filing a valid and timely request for exclusion in accordance with the requirements set forth in the Notice.

3. The Court finds and concludes that the prerequisites of class action certification under Rules 23(a) and 23(b)(3) of the Federal Rules of Civil Procedures have been satisfied for the Class defined herein and for the purposes of the Settlement only, in that:

- (a) the members of the Class are so numerous that joinder of all Class Members is impracticable;
- (b) there are questions of law and fact common to the Class Members;
- (c) the claims of Lead Plaintiff are typical of the Class's claims;
- (d) Lead Plaintiff and Lead Counsel have fairly and adequately represented and protected the interests of the Class;
- (e) the questions of law and fact common to Class Members predominate over any individual questions; and

(f) a class action is superior to other available methods for the fair and efficient adjudication of the controversy, considering that the claims of Class Members in the Litigation are substantially similar and would, if tried, involve substantially identical proofs and may therefore be efficiently litigated and resolved on an aggregate basis as a class action; the amounts of the claims of many of the Class Members are too small to justify the expense of individual actions; and it does not appear that there is any interest among Class Members in individually controlling the litigation of their claims.

4. Pursuant to Rule 23 of the Federal Rules of Civil Procedure, and for the purposes of the Settlement only, Lead Plaintiff is certified as Class Representative for the Class. The law firm of Labaton Sucharow LLP is appointed Class Counsel for the Class.

5. A hearing (the "Settlement Hearing") pursuant to Rule 23(e) of the Federal Rules of Civil Procedure is hereby scheduled to be held before the Court on September 13, 2011, at 3:30 p.m. for the following purposes:

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

(b) to determine whether the proposed Final Order and Judgment ("Judgment") as provided under the Stipulation should be entered, and to determine whether the release by the Class of the Released Claims, as set forth in the Stipulation, should be provided to the Released Defendant Parties;

(c) to determine, for purposes of the Settlement only, whether the Class should be finally certified; whether Lead Plaintiff should be finally certified as Class Representative for the Class; and whether the law firm of Labaton Sucharow LLP should be finally appointed as Class Counsel for the Class;

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

(e) to consider Lead Counsel's application for an award of attorneys' fees and reimbursement of expenses (which may include an application for an award to Lead Plaintiff for reimbursement of its reasonable costs and expenses directly related to its representations of the Class, pursuant to the Private Securities Litigation Reform Act of 1995 ("PSLRA")); and

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

6. The Court reserves the right to approve the Settlement with or without modification and with or without further notice to the Class of any kind. The Court further reserves the right to enter the Judgment approving the Settlement regardless of whether it has approved the Plan of Allocation or awarded attorneys' fees and/or expenses. The Court may also adjourn the Settlement Hearing or modify any of the dates herein without further notice to members of the Class.

7. The Court approves the form, substance and requirements of the Notice of Pendency of Class Action and Proposed Settlement (the "Notice") and the Proof of Claim and Release Form ("Proof of Claim"), substantially in the forms annexed hereto as Exhibits 1 and 2, respectively.

8. The Court approves the retention of Strategic Claims Services as the Claims Administrator. The Claims Administrator shall cause the Notice and the Proof of Claim, substantially in the forms annexed hereto, to be mailed, by first-class mail, postage prepaid, on or before July 5, 2011 ("Notice Date"), to all Class Members who can be identified with reasonable effort. DG, to the extent it has not already done so, shall use its best efforts to obtain and provide

to Lead Counsel, or the Claims Administrator, at no cost to Lead Plaintiff, Lead Counsel, the Class or the Claims Administrator: a list, in electronic searchable form, of the name and last known address of all persons and entities who were shareholders of record during the Class Period, no later than five (5) business days after entry of this Order.

9. The Claims Administrator shall use reasonable efforts to give notice to nominee purchasers such as brokerage firms and other persons or entities who purchased or otherwise acquired the publicly traded securities of DG during the Class Period as record owners but not as beneficial owners. Such nominee purchasers are directed, within seven (7) calendar days of their receipt of the Notice, to either (i) provide the Claims Administrator with lists of the names and last known addresses of the beneficial owners, and the Claims Administrator is ordered to send the Notice and Proof of Claim promptly to such identified beneficial owners by first-class mail, or (ii) request additional copies of the Notice and Proof of Claim, and within seven (7) calendar days of receipt of such copies send them by first-class mail directly to the beneficial owners. Nominee purchasers who elect to send the Notice and Proof of Claim to their beneficial owners shall also send a statement to the Claims Administrator confirming that the mailing was made as directed. Additional copies of the Notice shall be made available to any record holder requesting such for the purpose of distribution to beneficial owners, and such record holders shall be reimbursed from the Settlement Fund, after receipt by the Claims Administrator of proper documentation, for their reasonable expenses actually incurred in sending the Notices and Proofs of Claim to beneficial owners.

10. Lead Counsel shall, at or before the Settlement Hearing, file with the Court proof of mailing of the Notice and Proof of Claim.

11. The Court approves the form of the Summary Notice of Pendency of Class Action and Proposed Settlement (“Summary Notice”) substantially in the form annexed hereto as Exhibit 3, and directs that Lead Counsel shall cause the Summary Notice to be published in *Investor’s Business Daily* and transmitted over *PR Newswire* within fourteen (14) calendar days of the Notice Date. Lead Counsel shall, at or before the Settlement Hearing, file with the Court proof of publication of the Summary Notice.

12. The form and content of the notice program described herein, and the methods set forth herein of notifying the Class of the Settlement and its terms and conditions, meet the requirements of Rule 23 of the Federal Rules of Civil Procedure, Section 27 of the Securities Act of 1933, 15 U.S.C. §77z-1(a)(7), as amended by the PSLRA, and due process, constitute the best notice practicable under the circumstances, and shall constitute due and sufficient notice to all persons and entities entitled thereto.

13. In order to be eligible to receive a distribution from the Net Settlement Fund, in the event the Settlement is effected in accordance with the terms and conditions set forth in the Stipulation, each Class Member shall take the following actions and be subject to the following conditions:

(a) A properly executed Proof of Claim, substantially in the form annexed hereto as Exhibit 2, must be submitted to the Claims Administrator, at the address indicated in the Notice, postmarked no later than October 24, 2011. Such deadline may be further extended by Court Order or by Lead Counsel in their discretion. Each Proof of Claim shall be deemed to have been submitted when postmarked (if properly addressed and mailed by first-class mail, postage prepaid) provided such Proof of Claim is actually received prior to the motion for an order of the Court approving distribution of the Net Settlement Fund. Any Proof of Claim

submitted in any other manner shall be deemed to have been submitted when it was actually received at the address designated in the Notice. Any Class Member who does not timely submit a Proof of Claim within the time provided for shall be barred from sharing in the distribution of the Net Settlement Fund, unless otherwise ordered by the Court.

(b) The Proof of Claim submitted by each Class Member must satisfy the following conditions, unless otherwise ordered by the Court: (i) it must be properly completed, signed and submitted in a timely manner in accordance with the provisions of the preceding subparagraph; (ii) it must be accompanied by adequate supporting documentation for the transactions reported therein, in the form of broker confirmation slips, broker account statements, an authorized statement from the broker containing the transactional information found in a broker confirmation slip, or such other documentation as is deemed adequate by Lead Counsel; (iii) if the person executing the Proof of Claim is acting in a representative capacity, a certification of her current authority to act on behalf of the Class Member must be included in the Proof of Claim; and (iv) the Proof of Claim must be complete and contain no material deletions or modifications of any of the printed matter contained therein and must be signed under penalty of perjury.

(c) As part of the Proof of Claim, each Class Member shall submit to the jurisdiction of the Court with respect to the claim submitted.

14. Class Members shall be bound by all orders, determinations and judgments in this Litigation, whether favorable or unfavorable, unless such Persons request exclusion from the Class in a timely and proper manner, as hereinafter provided. A Class Member wishing to make such an exclusion request shall mail the request in written form by first-class mail to the address designated in the Notice for such exclusions, such that it is postmarked no later than August 23,

2011. Such request for exclusion must state the name, address and telephone number of the person seeking exclusion, that the sender requests to be “excluded from the Class in *In re DG Fastchannel, Inc.*, No. 10 Civ 6523 (RJS) (S.D.N.Y.)” and must be signed by such person. Such persons requesting exclusion are also directed to state: the date(s), price(s), and number(s) of shares of all purchases, acquisitions and sales of the publicly traded securities of DG during the Class Period. The request for exclusion shall not be effective unless it provides the required information and is made within the time stated above, or the exclusion is otherwise accepted by the Court.

15. Class Members requesting exclusion from the Class shall not be eligible to receive any payment out of the Net Settlement Fund as described in the Stipulation and Notice.

16. The Court will consider any Class Member’s objection to the Settlement, the Plan of Allocation, and/or the application for an award of attorneys’ fees or reimbursement of expenses only if such Class Member has served by hand or by mail his, her or its written objection and supporting papers such that they are received or postmarked on or before August 23, 2011, upon Lead Counsel, Jonathan Gardner, Labaton Sucharow LLP, 140 Broadway, New York, NY 10005 and Defendants’ Counsel, Kevin H. Metz, Esq., Latham & Watkins LLP, 555 Eleventh Street, NW, Suite 1000, Washington, DC 20004, and has filed said objections and supporting papers with the Clerk of the Court, United States District Court for the Southern District of New York, Daniel Patrick Moynihan United States Courthouse, 500 Pearl Street, New York, New York 10007-1312. Any Class Member who does not make his, her or its objection in the manner provided for in the Notice shall be deemed to have waived such objection and shall forever be foreclosed from making any objection to any aspect of the Settlement, to the Plan of Allocation, or to the request for attorneys’ fees and expenses, unless otherwise ordered by the

Court, but shall otherwise be bound by the Judgment to be entered and the releases to be given. Attendance at the hearing is not necessary; however, persons wishing to be heard orally in opposition to the approval of the Settlement, the Plan of Allocation, and/or the application for an award of attorneys' fees and other expenses are required to indicate in their written objection their intention to appear at the hearing. Persons who intend to object to the Settlement, the Plan of Allocation, and/or the application for an award of attorneys' fees and expenses and desire to present evidence at the Settlement Hearing must include in their written objections the identity of any witnesses they may call to testify and exhibits they intend to introduce into evidence at the Settlement Hearing. Class Members do not need to appear at the hearing or take any other action to indicate their approval.

17. Pending final determination of whether the Settlement should be approved, Lead Plaintiff, all Class Members, and each of them, and anyone who acts or purports to act on their behalf, shall not institute, commence or prosecute any action which asserts Released Claims against the Released Defendant Parties.

18. As provided in the Stipulation, prior to the Effective Date, Lead Counsel may pay the Claims Administrator a portion of the reasonable fees and costs associated with giving notice to the Class and the review of claims and administration of the Settlement out of the Settlement Fund without further approval from the Defendants and without further order of the Court.

19. All papers in support of the Settlement, Plan of Allocation, and Lead Counsel's request for an award of attorneys' fees and expenses shall be filed with the Court and served on or before August 5, 2011. If reply papers are necessary, they are to be filed with the Court and served no later than September 6, 2011.

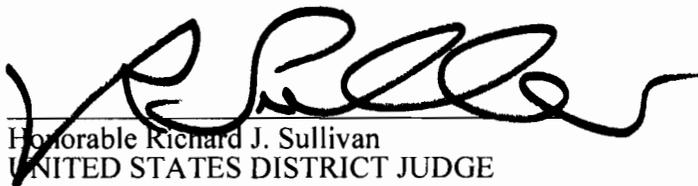
20. The passage of title and ownership of the Settlement Fund to the Escrow Agent in accordance with the terms and obligations of the Stipulation is approved. No person who is not a Class Member or Lead Counsel shall have any right to any portion of, or to any distribution of, the Net Settlement Fund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

21. All funds held in escrow shall be deemed and considered to be in *custodia legis* of the Court, and shall remain subject to the jurisdiction of the Court until such time as such funds shall be disbursed pursuant to the Stipulation and/or further order of the Court.

22. If the Settlement fails to become effective as defined in the Stipulation or is terminated, then, in any such event, the Stipulation, including any amendment(s) thereof, except as expressly provided in the Stipulation, and this Preliminary Approval Order shall be null and void, of no further force or effect, and without prejudice to any Settling Party, and may not be introduced as evidence or used in any actions or proceedings by any person or entity against the Settling Parties, and the Settling Parties shall be deemed to have reverted to their respective litigation positions in the Litigation as of May 4, 2011.

23. The Court retains exclusive jurisdiction over the Litigation to consider all further matters arising out of or connected with the Settlement.

Dated: June 21, 2011


Honorable Richard J. Sullivan
UNITED STATES DISTRICT JUDGE

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK**

IN RE DG FASTCHANNEL, INC.
SECURITIES LITIGATION

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: No. 10 Civ. 6523 (RJS)
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: **NOTICE OF PENDENCY OF**
: **CLASS ACTION AND**
: **PROPOSED SETTLEMENT**
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**IF YOU PURCHASED OR OTHERWISE ACQUIRED THE PUBLICLY TRADED
SECURITIES OF DG FASTCHANNEL (“DG” OR THE “COMPANY”) DURING THE
PERIOD FROM FEBRUARY 16, 2010 THROUGH AND INCLUDING AUGUST 29, 2010
(THE “CLASS PERIOD”) YOU MAY BE ELIGIBLE FOR A PAYMENT FROM A
CLASS ACTION SETTLEMENT**

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

- Court-appointed lead plaintiff, the Norfolk County Retirement System (“Lead Plaintiff”), on behalf of the Class (as defined below), has reached a proposed settlement in the amount of \$2,000,000 in cash (the “Settlement”) that will resolve all claims against DG and Scott K. Ginsburg, Neil H. Nguyen, and Omar A. Choucair (the “Individual Defendants,” and together with DG, the “Defendants”) in this proposed class action (the “Litigation”).
- The Settlement resolves claims that the Defendants allegedly misled investors about DG’s business performance; avoids the costs and risks of continuing the Litigation, pays money to investors like you, and releases the Defendants from liability.
- This Notice explains important rights you may have, including your possible receipt of cash from the Settlement. **Your legal rights will be affected whether or not you act. Please read this Notice carefully!**
- The Court in charge of the Litigation still has to decide whether to approve the Settlement. Payments will be made if the Court approves the Settlement and after any appeals are resolved. Please be patient.

YOUR LEGAL RIGHTS AND OPTIONS IN THE SETTLEMENT:

ACTIONS YOU MAY TAKE	EFFECT OF TAKING THIS ACTION
SUBMIT A CLAIM FORM POSTMARKED NO LATER THAN OCTOBER 24, 2011.	This is the only way to get a payment.
EXCLUDE YOURSELF FROM THE CLASS BY SUBMITTING A WRITTEN REQUEST FOR EXCLUSION POSTMARKED NO LATER THAN AUGUST 23, 2011.	Get no payment. This is the only option that allows you to ever be part of any other lawsuit against the Defendants concerning the claims that were, or could have been, asserted in this case. It is also the <i>only</i> way for Class Members to remove themselves from the Class.
OBJECT TO THE SETTLEMENT BY SUBMITTING A WRITTEN OBJECTION POSTMARKED NO LATER THAN AUGUST 23, 2011.	Write to the Court and explain why you do not like the Settlement, the proposed Plan of Allocation, and/or the request for attorneys' fees and reimbursement of expenses. You cannot object if you are not a Class Member or if you exclude yourself.
GO TO THE HEARING ON SEPTEMBER 13, 2011 AT 3:30 P.M., AND FILE A NOTICE OF INTENTION TO APPEAR SO THAT IT IS POSTMARKED NO LATER THAN AUGUST 23, 2011.	Ask to speak in Court about the fairness of the Settlement, the proposed Plan of Allocation, or the request for attorneys' fees and reimbursement of expenses.
DO NOTHING	Get no payment. Remain a Class Member. Give up your rights.

SUMMARY OF THIS NOTICE

I. Description of the Litigation and the Class

This Notice relates to the proposed Settlement of a class action lawsuit against the Defendants. As explained in more detail below, the proposed Settlement, if approved by the Court, will settle claims of all persons and entities who purchased or otherwise acquired DG's publicly traded securities during the period from February 16, 2010 through and including August 29, 2010, and who were allegedly damaged thereby (the "Class").

II. Statement of the Plaintiffs' Recovery

Subject to Court approval, and as described more fully in on page [] below, Lead Plaintiff, on behalf of the proposed Class, has agreed to settle all claims related to the purchase or acquisition of the publicly traded securities of DG during the Class Period that were or could

have been asserted against DG in the Litigation, in exchange for a payment of \$2,000,000 in cash (the “Settlement Amount”) to be deposited into an interest-bearing escrow account (the “Settlement Fund”). Based on Lead Plaintiff’s consulting damages expert’s estimate of the amount of DG’s publicly traded securities that may have been damaged as a result of the alleged misstatements and omissions by the Defendants, and assuming that all those shares participate in the Settlement, Lead Counsel estimates that the average recovery would be approximately \$0.18 per allegedly damaged share,¹ before the deduction of Court-approved attorneys’ fees and expenses, taxes, and notice and administration costs. Class Members should note, however, that this is only an estimate based on the overall number of potentially damaged shares in the Class. Some Class Members may recover more or less than this estimated amount depending on, among other factors, when, where, and the prices at which their shares were purchased or sold. The Net Settlement Fund (the Settlement Fund less taxes, notice and administration costs, and attorneys’ fees and litigation expenses awarded to Lead Counsel) will be distributed in accordance with a plan of allocation (the “Plan of Allocation”) approved by the Court and will determine how the Net Settlement Fund shall be allocated to the members of the Class. The proposed Plan of Allocation is included in this Notice (see page ___ below).

III. Statement of Potential Outcome of the Case

The Parties do not agree on the average amount of damages per share that would be recoverable if Lead Plaintiff were to prevail on the claims against the Defendants. The Defendants deny all liability and that any of DG’s publicly traded securities were damaged as Lead Plaintiff has alleged. The issues on which the Parties disagree include, for example: (i) the amount by which the prices of DG’s publicly traded securities were artificially inflated as a

¹ An allegedly damaged share might have been traded more than once and this average recovery would be the total for all purchasers of that share.

result of the alleged misstatements and omissions by the Defendants; (ii) the amount of any alleged damages suffered by purchasers or acquirers of DG's publicly traded securities; (iii) the appropriate economic models for determining the amounts by which DG's publicly traded securities were allegedly artificially inflated (if at all); and (iv) the effect of various market forces influencing the trading prices of DG's publicly traded securities.

IV. Statement of Attorneys' Fees and Litigation Expenses Sought

Lead Counsel (as defined on page [] below) will apply to the Court for an award of attorneys' fees from the Settlement Fund in an amount not to exceed 30% of the Settlement Fund, which will include interest. In addition, Lead Counsel also will apply for the reimbursement of litigation expenses paid or incurred in connection with the prosecution and resolution of the Litigation, in an amount not to exceed \$75,000, plus interest from the date of funding at the same rate as earned by the Settlement Fund. If the Court approves Lead Counsel's attorneys' fee application in full, the average amount of fees and expenses will be approximately \$0.06 per allegedly damaged share.

V. Identification of Attorneys' Representatives

Lead Plaintiff and the Class are being represented by Labaton Sucharow LLP, the Court-appointed Lead Counsel. Any questions regarding the Settlement should be directed to Jonathan Gardner, Labaton Sucharow LLP, 140 Broadway, New York, NY 10005, Tel: (888) 219-6877, www.labaton.com, settlementquestions@labaton.com.

VI. Reasons for the Settlement

For Lead Plaintiff, the principal reason for the Settlement is the immediate benefit of a substantial cash recovery for the Class. This benefit must be compared to the risk that no recovery or a smaller recovery might be achieved after the Court decides any motions to dismiss

the Complaint filed in the Litigation, fact and expert discovery are complete, summary judgment motions are made by the Defendants, and a contested trial and likely appeals are resolved, possibly years into the future. For the Defendants, who deny all allegations of liability and deny that any Class Members were damaged, the principal reason for the Settlement is to eliminate the burden, expense, uncertainty and risk of further litigation.

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BASIC INFORMATION

1. Why did I get this notice package?

You or someone in your family may have purchased or acquired DG's publicly traded securities during the period from February 16, 2010 through and including August 29, 2010.

The Court directed that this Notice be sent to Class Members because they have a right to know about the proposed Settlement of this class action lawsuit, and about all of their options, before the Court decides whether to approve the Settlement. If approved, the Settlement will end all of the Class's claims against the Defendants. The Court will consider whether to approve the Settlement at a Settlement Hearing on September 13, 2011 at 3:30 p.m. If the Court approves the Settlement, and after any appeals are resolved and the Settlement administration is completed, the claims administrator appointed by the Court will make the payments that the Settlement allows.

The Court in charge of the case is the United States District Court for the Southern District of New York, and the case is known as *In re DG Fastchannel, Inc.*, No. 10 Civ 6523 (RJS) (S.D.N.Y.). This case was assigned to United States District Judge Richard J. Sullivan. The persons who are suing are called "plaintiffs" and the company and the persons being sued are called "defendants."

2. What is this lawsuit about and what has happened so far?

Lead Plaintiff's claims in the Litigation are stated in the Complaint, dated January 24, 2011. Lead Plaintiff alleged that DG and the other Defendants violated Sections 10(b) and 20(a) of the Securities Exchange Act of 1934 (the "Exchange Act") by making material misstatements and omissions regarding DG's advertisement delivery sales in the third quarter of 2010. On August 4, 2010, the Defendants released DG's second quarter earnings, but allegedly failed to

disclose that third quarter revenues would be lower than analysts had forecast. In response to positive statements about DG's quarterly financial results, analysts immediately raised their estimates for DG's third quarter after the Company released its second quarter results and a report on the Company's third quarter performance to date. Lead Plaintiff alleges the Defendants failed to correct these analysts' estimates following their alleged misleading statements and omissions on August 4, 2010, thereby allegedly misleading the market into believing that they had endorsed the higher analyst estimates.

At an investor conference almost a week after the August 4, 2010 earnings call, Lead Plaintiff alleges the Defendants again did not correct the analysts' estimates, reassuring investors that the Company enjoyed good relationships with its customers, even though they allegedly knew that several large customers, including Ford and Coca-Cola, had already defected to competitors. As late as the third week of August, Defendants were adamant about business conditions remaining strong. Finally, on August 30, 2010, however, Lead Plaintiff claims Defendants issued guidance sharply below analysts' estimates.

This Litigation began on September 2, 2010 when the first of two proposed class actions was filed against the Defendants. On November 24, 2010, the Court issued an order consolidating these cases into the present Litigation and appointing Lead Plaintiff and Labaton Sucharow LLP as Lead Counsel to represent the Class.

Lead Plaintiff filed the Complaint on January 24, 2011. On February 23, 2011, the Defendants submitted a pre-motion letter (the "Defendants' Pre-Motion Letter") to the Court, which set forth the anticipated bases for the Defendants' motion to dismiss. On February 28, 2011, Lead Plaintiff submitted a letter to the Court responding to Defendants' Pre-Motion Letter (the "Plaintiff's Letter Response").

On March 1, 2011, the Court acknowledged receipt of the Defendants' Pre-Motion Letter and Plaintiff's Letter Response, ordered the parties to appear at a pre-motion conference on April 5, 2011 (the "Conference"), and adjourned the Defendants' deadline to move to dismiss the Complaint pending the Conference. At the Conference, the Court heard arguments from the Parties regarding the relative merits of their positions on Defendants' anticipated motion to dismiss. The Court expressed its preliminary impression that the required element of scienter may be difficult to prove.

On May 5, 2011, Lead Plaintiff and the Defendants (collectively, the "Parties") met with mediator Jed Melnick, Esq. of JAMS to explore a potential negotiated resolution of the claims. This Settlement was reached at the conclusion of the negotiations on May 5, 2011, when the Parties agreed to a mediator's recommendation issued by Mr. Melnick to the Parties.

The Parties entered into the Stipulation and Agreement of Settlement (the "Stipulation") on June 16, 2011. On June 22, 2011, the Court preliminarily approved the Settlement, authorized this Notice to be sent to potential Class Members, and scheduled the Settlement Hearing to consider whether to grant final approval to the Settlement.

The Defendants deny the claims and contentions alleged by Lead Plaintiff in this Litigation, deny any liability whatsoever, and maintain that they have meritorious defenses to all claims that were raised or could have been raised in the Litigation.

3. Why is this a class action?

In a class action, one or more people called class representatives (in this case the Lead Plaintiff on behalf of the Class) sue on behalf of people or entities, known as "Class Members," who have similar claims. A class action allows one court to resolve in a single case many similar claims that, if brought separately by individuals, might be economically so small that they would

never be brought. One court resolves the issues for all class members, except for those who exclude themselves, or “opt out,” from the Class (see page ___ below).

4. Why is there a settlement?

The Court did not decide in favor of Lead Plaintiff or the Defendants. The Settlement will end all the claims against the Defendants in the Litigation and avoid the uncertainties and costs of further litigation and any future trial. Affected investors will be eligible to get compensation immediately, rather than after the time it would take to resolve future motions to dismiss, conduct discovery, have a trial and exhaust all appeals.

The Settlement was reached after months of investigation and litigation. Lead Plaintiff, through Lead Counsel, conducted an extensive investigation of the claims, defenses and underlying events and transactions relating to the Litigation. This investigation included, among other things, reviewing and analyzing DG’s filings with the Securities and Exchange Commission (the “SEC”), securities analysts’ reports, public statements by Defendants, media reports about Defendants, and court records. Lead Counsel also located and interviewed numerous confidential witnesses, and consulted with an experienced damages expert. Further, Lead Counsel and Lead Plaintiff participated in rigorous arm’s-length negotiations and a mediation before an experienced mediator before entering into the Settlement.

The Defendants deny all allegations of liability contained in the Complaint and deny that they are liable to the Class. Defendants have denied and continue to deny each and all of the claims and contentions alleged by Lead Plaintiff in the Litigation. Defendants expressly have denied and continue to deny all charges of wrongdoing or liability against them arising out of any of the conduct, statements, acts or omissions alleged, or that could have been alleged, in the Litigation. Defendants also have denied and continue to deny, *inter alia*, the allegations that

Lead Plaintiff or the Class have suffered damage, that the price of DG securities was artificially inflated by reasons of alleged misrepresentations, non-disclosures or otherwise, and that Lead Plaintiff or the Class were harmed by the conduct alleged in the Complaint. The Settlement should not be seen as an admission or concession on the part of the Defendants about any of the claims, their fault or liability for damages.

WHO IS IN THE SETTLEMENT

5. How do I know if I am part of the Settlement?

The Court determined, for the purposes of the Settlement only, that everyone who fits the following description, and is not excluded by definition from the Class (see Question [6] below), is a member of the Class, or a “Class Member,” unless they take steps to exclude themselves:

any person or entity who purchased or otherwise acquired the publicly traded securities of DG during the period from February 16, 2010 through and including August 29, 2010, and who were allegedly damaged thereby.

Receipt of this Notice does not mean that you are a Class Member. Please check your records or contact your broker to see if you purchased or otherwise acquired DG’s publicly traded securities during the Class Period as described above.

6. Are there exceptions to being included in the Class?

There are some people who are excluded from the Class by definition. Excluded from the Class are: Defendants; members of the Individual Defendants’ immediate families; the officers and directors of DG from February 16, 2010 through and including August 29, 2010; the subsidiaries and affiliates of DG; any entity in which any Defendant has a controlling interest or

which is related to, or affiliated with, any Defendant; and the legal representatives, heirs, successors-in-interest, or assigns of any such excluded party.

Also excluded from the Class are any proposed Class Members who properly exclude themselves by submitting a valid and timely request for exclusion in accordance with the requirements set forth in this Notice. If you do not want to be a Class Member - for example if you want to continue with or bring your own lawsuit against the Defendants at your own expense for the claims that are being released as part of the Settlement - **you must** exclude yourself by submitting a request for exclusion in accordance with the requirements explained in Question [13] below.

7. What if I am still not sure if I am included?

If you are still not sure whether you are included, you can ask for free help by writing to or calling the Claims Administrator: *In re DG Fastchannel, Inc.*, Claims Administrator, c/o Strategic Claims Services, 600 N. Jackson Street, Suite 3, Media, PA 19063, 866-274-4004, www.strategicclaims.net. Or you can fill out and return the Proof of Claim and Release form (“Proof of Claim”) described in Question 10, to see if you qualify.

THE SETTLEMENT BENEFITS—WHAT YOU MAY RECEIVE

8. What does the Settlement provide?

In the Settlement, DG has agreed to pay \$2,000,000 in cash, which will be deposited in an interest-bearing escrow account for the benefit of the Class (the “Settlement Fund”). The Settlement Fund will be divided, after deduction of Taxes, Court-awarded attorneys’ fees and expenses, and settlement administration costs, among all Class Members who timely submit valid Proofs of Claim that are accepted for payment by the Court (“Authorized Claimants”).

9. How much will my payment be?

The Plan of Allocation, discussed on pages [_____] below, explains how claimants' "Recognized Losses" will be calculated. Your share of the Net Settlement Fund will depend on several things, including: (i) the quantity of DG's publicly traded securities you bought; (ii) how much you paid for those securities; (iii) when you bought them; (iv) whether or when you sold them (and, if so, for how much you sold them); and (v) the amount of Recognized Losses of other Authorized Claimants.

It is unlikely that you will get a payment for your entire Recognized Loss, given the number of potential Class Members. After all Class Members have sent in their Proofs of Claim, the payment any Authorized Claimant will get will be their *pro rata* share of the Net Settlement Fund. An Authorized Claimant's share will be his, her or its Recognized Loss divided by the total of all Authorized Claimants' Recognized Losses and then multiplied by the total amount in the Net Settlement Fund. See the Plan of Allocation beginning on page [_____] for more information.

Once all the Proofs of Claim are processed and claims are calculated, Lead Counsel, without further notice to the Class, will apply to the Court for an order authorizing distribution of the Net Settlement Fund to the Authorized Claimants. Lead Counsel will also ask the Court to approve payment of the Claims Administrator's fees and expenses incurred in connection with administering the Settlement that have not already been reimbursed.

HOW YOU GET A PAYMENT—SUBMITTING A PROOF OF CLAIM

10. How can I get a payment?

To qualify for a payment, you must timely send in a valid Proof of Claim with supporting documents (DO NOT SEND ORIGINALS of your supporting documents). A Proof of Claim is enclosed with this Notice. You may also get copies of the Proof of Claim on the Internet at the websites for the Claims Administrator: www.strategicclaims.net, or Lead Counsel: www.labaton.com. Please read the instructions carefully, fill out the Proof of Claim, include all the documents the form asks for, sign it, and mail it to the Claims Administrator by First-Class Mail, **postmarked on or before October 24, 2011**. *The Claims Administrator needs all of the information requested in the Proof of Claim in order to determine if you are eligible to receive a distribution from the Net Settlement Fund.*

11. When will I get my payment?

The Court will hold a hearing on September 13, 2011 at 3:30 p.m., to decide whether to, among other things, approve the Settlement and the proposed Plan of Allocation. All Proofs of Claim must be submitted to the Claims Administrator, **postmarked on or before October 24, 2011**. If the Court approves the Settlement, there may still be appeals which would delay payment, perhaps for more than a year. It also takes time for all the Proofs of Claim to be processed. Please be patient.

12. What am I giving up by staying in the Class?

Unless you exclude yourself, you will stay in the Class, which means that as of the date that the Settlement becomes effective under the terms of the Stipulation (the “Effective Date”), you will forever give up and release all “Released Claims” (as defined below) against the

“Released Defendant Parties” (as defined below). You will not in the future be able to bring a case asserting any Released Claim against the Released Defendant Parties.

“Released Claims” means all claims, rights and causes of action, duties, obligations, demands, actions, debts, sums of money, suits, contracts, agreements, promises, damages, and liabilities of every nature and description, whether known or Unknown (as defined below), whether arising under federal, state, common or foreign law, that Lead Plaintiff or any other Class Member: (i) have asserted in the Litigation, including in the Complaint; or (ii) could have asserted in any forum, that arise out of or are based upon the allegations, transactions, facts, matters or occurrences, representations or omissions involved, set forth, or referred to in the complaints filed in the Litigation, including the Complaint, and that relate to the purchase or acquisition during the Class Period of the publicly traded securities of the Company. Released Claims do not include: (i) claims to enforce the Settlement; or (ii) any governmental or regulatory agency’s claims asserted in any criminal or civil action against any of the Defendants.

“Released Defendants’ Claims” means all claims, rights and causes of action, duties, obligations, demands, actions, debts, sums of money, suits, contracts, agreements, promises, damages, and liabilities of every nature and description, whether known or Unknown, whether arising under federal, state, common or foreign law, or any other law, that the Defendants or any other Released Defendant Party asserted, or could have asserted, against any of the Released Plaintiff Parties that arise out of or relate in any way to the commencement, prosecution, settlement or resolution of the Litigation or the claims against the Released Defendant Parties (other than claims to enforce the Settlement).

“Released Defendant Parties” means the Defendants and their current or former trustees, officers, directors, principals, employees, agents, partners, insurers, auditors, heirs, attorneys,

predecessors, successors or assigns, parents, subsidiaries, divisions, joint ventures, general or limited partners or partnerships, limited liability companies and any trust of which any Individual Defendant is the settlor or which is for the benefit of their immediate family members.

“Unknown Claims” means any and all Released Claims, which the Lead Plaintiff or any other Class Member does not know or suspect to exist in his, her or its favor at the time of the release of the Released Defendant Parties, and any Released Defendants’ Claims that the Defendants or any other Released Defendant Party does not know or suspect to exist in his, her or its favor at the time of the release of the Released Plaintiff Parties, which if known by him, her or it might have affected his, her or its decision(s) with respect to the Settlement. With respect to any and all Released Claims and Released Defendants’ Claims, the Parties stipulate and agree that, upon the Effective Date, Lead Plaintiff and the Defendants shall expressly, and each other Class Member and each other Released Defendant Party shall be deemed to have, and by operation of the Judgment or Alternative Judgment shall have, expressly waived and relinquished any and all provisions, rights and benefits conferred by any law of any state or territory of the United States, or principle of common law, which is similar, comparable, or equivalent to Cal. Civ. Code § 1542, which provides:

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

Lead Plaintiff, the other Class Members, the Defendants or the other Released Defendant Parties may hereafter discover facts in addition to or different from those which he, she, or it now knows or believes to be true with respect to the subject matter of the Released Claims and the Released Defendants’ Claims, but Lead Plaintiff and the Defendants shall expressly, fully, finally and forever settle and release, and each other Class Member and each other Released Defendant

Party shall be deemed to have settled and released, and upon the Effective Date and by operation of the Judgment or Alternative Judgment shall have settled and released, fully, finally, and forever, any and all Released Claims and Released Defendants' Claims as applicable, without regard to the subsequent discovery or existence of such different or additional facts. Lead Plaintiff and the Defendants acknowledge, and other Class Members and each other Released Defendant Party by operation of law shall be deemed to have acknowledged, that the inclusion of "Unknown Claims" in the definition of Released Claims and Released Defendants' Claims was separately bargained for and was a key element of the Settlement

EXCLUDING YOURSELF FROM THE SETTLEMENT

If you want to keep any right you may have to sue or continue to sue the Released Defendant Parties on your own about the Released Claims, then you must take steps to exclude yourself from the Class. Excluding yourself is known as "opting out" of the Class. The Defendants may withdraw from and terminate the Settlement if potential Class Members who purchased in excess of a certain amount of DG's publicly traded securities opt out from the Class.

13. How do I "opt out" (exclude myself) from the proposed Settlement?

To "opt out" (exclude yourself) from the Class, you must deliver or mail a signed letter by First-Class Mail stating that you "request exclusion from the Class in *In re DG Fastchannel, Inc.*, No. 10-Civ-6523-RJS (S.D.N.Y.)." Your letter **must** state the date(s), price(s) and number of shares of all your purchases, acquisitions and sales of DG's publicly traded securities during the Class Period. This information is needed to determine whether you are a Class Member. In addition, you must include your name, address, telephone number, and your signature. You must submit your request for exclusion addressed to *In re DG Fastchannel, Inc.*, - EXCLUSIONS, c/o

Strategic Claims Services, 600 N. Jackson Street, Suite 3, Media, PA 19063. The request for exclusion must be **delivered or postmarked on or before August 23, 2011**. **You cannot exclude yourself or opt out by telephone or by email.** Your request for exclusion must comply with these requirements in order to be valid. If you are excluded, you will not be eligible to get any payment from the Settlement proceeds and you cannot object to the Settlement, the proposed Plan of Allocation or the application for attorneys' fees and reimbursement of expenses.

14. If I do not exclude myself, can I sue the Defendants and the other Released Defendant Parties for the same thing later?

No. Unless you exclude yourself, you give up any rights to sue the Defendants and the other Released Defendant Parties for all Released Claims. If you have a pending lawsuit, speak to your lawyer in that case **immediately**. You must exclude yourself from *this* Class to continue your own lawsuit. Remember, the exclusion deadline is **August 23, 2011**.

15. If I exclude myself, can I get money from the proposed Settlement?

No. If you exclude yourself, do not send in a Proof of Claim to ask for any money. But, you may exercise any right you may have to sue, continue to sue or be part of a different lawsuit against the Defendants and the other Released Defendant Parties.

THE LAWYERS REPRESENTING YOU

16. Do I have a lawyer in this case?

The law firm of Labaton Sucharow was appointed to represent all Class Members. These lawyers are called Lead Counsel. You will not be separately charged for these lawyers. The Court will determine the amount of Lead Counsel's fees and expenses. Any fees and expenses

awarded by the Court will be paid from the Settlement Fund. If you want to be represented by your own lawyer, you may hire one at your own expense.

17. How will the lawyers be paid?

Lead Counsel has not received any payment for their services in pursuing the claims against the Defendants on behalf of the Class, nor have they been reimbursed for their litigation expenses. At the Settlement Hearing described below, or at such other time as the Court may order, Lead Counsel will ask the Court to award them, from the Settlement Fund, attorneys' fees of no more than 30% of the Settlement Fund, which will include interest, and to reimburse them for their litigation expenses, such as the cost of experts, that they have incurred in pursuing the Litigation. The request for reimbursement of expenses will not exceed \$75,000, plus interest on the expenses from the date of funding at the same rate as may be earned by the Settlement Fund.

OBJECTING TO THE SETTLEMENT

18. How do I tell the Court that I do not like something about the proposed Settlement?

If you are a Class Member and do not "opt out," you can object to any part of the Settlement, the proposed Plan of Allocation, and/or the application by Lead Counsel for attorneys' fees and reimbursement of expenses. You must write to the Court setting out your objection, giving reasons why you think the Court should not approve any part or all of the Settlement.

To object, you must send a signed letter stating that you object to the proposed Settlement in the case known as "*In re DG Fastchannel, Inc.*, No. 10-Civ-6523-RJS (S.D.N.Y.)." You must include your name, address, telephone number and your signature; identify the date(s), price(s) and number of shares of all purchases, acquisitions and sales of DG's publicly traded securities

during the Class Period; and state the reasons why you object to the Settlement. This information is needed to demonstrate your membership in the Class.

Unless otherwise ordered by the Court, any Class Member who does not object in the manner described in this Notice will be deemed to have waived any objection and will not be able to make any objection to the Settlement, the proposed Plan of Allocation, and/or the application for attorneys' fees and reimbursement of expenses in the future.

Your objection must be filed with the United States District Court for the Southern District of New York by hand or by mail such that it is **received or postmarked on or before August 23, 2011** at the address set forth below. You must also serve the papers on Lead Counsel and Defendants' Counsel at the addresses set forth below so that the papers are **received or postmarked on or before August 23, 2011**.

COURT:

CLERK OF THE COURT
United States District Court for the
Southern District of New York
Daniel Patrick Moynihan
United States Courthouse
500 Pearl Street
New York, NY 10007-1312

LEAD COUNSEL:

LABATON SUCHAROW LLP
Jonathan Gardner
140 Broadway
New York, New York 10005

COUNSEL FOR DEFENDANTS:

LATHAM & WATKINS LLP
c/o Kevin H. Metz, Esq.
555 Eleventh Street, NW, Suite 1000
Washington, DC 20004

19. What is the difference between objecting and requesting exclusion?

Objecting is simply telling the Court that you do not like something about the proposed Settlement. You can still recover from the Settlement. You can object only if you stay in the

Class. Excluding yourself is telling the Court that you do not want to be part of the Class. If you exclude yourself, you have no basis to object because the case no longer affects you.

THE COURT'S SETTLEMENT HEARING

20. When and where will the Court decide whether to approve the proposed Settlement?

The Court will hold a Settlement Hearing at 3:30 p.m. on September 13, 2011, in Courtroom 21C of the United States District Court for the Southern District of New York, Daniel Patrick Moynihan United States Courthouse, 500 Pearl Street, Courtroom 21C, New York, NY 10007-1312. At this hearing, the Court will consider whether the Settlement is fair, reasonable and adequate. The Court also will consider the proposed Plan of Allocation for the proceeds of the Settlement and the applications for attorneys' fees and reimbursement of expenses. The Court will take into consideration any written objections filed in accordance with the instructions set out above in the answer to Question 18. We do not know how long it will take the Court to make these decisions.

You should also be aware that the Court may change the date and time of the Settlement Hearing without another notice being sent to Class Members. If you want to come to the hearing, you should check with Lead Counsel before coming to be sure that the date and/or time has not changed.

21. Do I have to come to the hearing?

No. Lead Counsel will answer any questions the Court may have. But, you are welcome to come at your own expense. If you validly submit an objection, it will be considered by the Court. You do not have to come to Court to talk about it.

22. May I speak at the hearing and submit additional evidence?

If you file an objection, you may ask the Court for permission to speak at the Settlement Hearing. To do so, you must include with your objection (*see* Question 18 above) a statement that it is your “notice of intention to appear in *In re DG Fastchannel, Inc.*, No. 10-Civ-6523-RJS (S.D.N.Y.)” Persons who object and want to present evidence at the Settlement Hearing must also include in their written objection the identity of any witness they may call to testify and exhibits they intend to introduce at the Settlement Hearing. You cannot speak at the hearing if you excluded yourself from the Class or if you have not provided written notice of your intention to speak at the Settlement Hearing according to the procedures described above and in the answer to Question 18.

IF YOU DO NOTHING

23. What happens if I do nothing at all?

If you do nothing, you will get no money from this Settlement and you will not be able to start a lawsuit, continue with a lawsuit, or be part of any other lawsuit against the Defendants and the Released Defendant Parties about the Released Claims in this case. To be eligible to share in the Net Settlement Fund you must submit a Proof of Claim (*see* Question 10). To start, continue or be a part of any *other* lawsuit against the Defendants and the other Released Defendant Parties about the Released Claims in this case you must exclude yourself from this Class (*see* Question 13).

GETTING MORE INFORMATION

24. Are there more details about the proposed Settlement and the lawsuit?

This Notice summarizes the proposed Settlement. More details are in the Stipulation and Agreement of Settlement, dated as of June 16, 2011 (the “Stipulation”). You may review the Stipulation filed with the Court and all documents filed in the Litigation during business hours at the Office of the Clerk of the United States District Court for the Southern District of New York, Daniel Patrick Moynihan United States Courthouse, 500 Pearl Street, New York, NY 10007-1312.

You also can call the Claims Administrator toll free at 866-274-4004; call Lead Counsel: Labaton Sucharow at (888) 219-6877; write to *In re DG Fastchannel, Inc.*, No. 10-Civ-6523-RJS (S.D.N.Y.), c/o Strategic Claims Services, 600 N. Jackson Street, Suite 3, Media, PA 19063; or visit the websites www.strategicclaims.net and www.labaton.com, where you can download copies of this Notice and the Proof of Claim. **Please Do Not Call the Court or DG With Questions About the Settlement.**

PLAN OF ALLOCATION OF NET SETTLEMENT FUND

The Net Settlement Fund shall be distributed to each Class Member who timely submits a valid Proof of Claim to the Claims Administrator that is accepted for payment by the Court (“Authorized Claimant”). The Net Settlement Fund will not be distributed to Authorized Claimants until the Court has approved the Settlement and a plan of allocation, and the time for any petition for rehearing, appeal or review, whether by *certiorari* or otherwise, of the order(s) approving the Settlement and the plan of allocation has expired. The Defendants are not entitled to get back any portion of the Settlement Fund once the Effective Date of the Settlement has occurred.

The Plan of Allocation set forth herein is the plan that is being proposed by Lead Plaintiff and Lead Counsel to the Court for approval. The Court may approve this plan as proposed or it may modify the Plan of Allocation without further notice to the Class. Any orders regarding a modification of the Plan of Allocation will be posted on the settlement website, www.strategicclaims.net.

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

A "Recognized Loss" will be calculated using the formulas set forth below for each purchase or acquisition of DG's publicly traded securities (or sale in the case of a put option) listed in the claim form that occurred during the Class Period and for which adequate documentation is provided. The Recognized Losses for a claimant's transactions will be calculated by the Claims Administrator in consultation with Lead Counsel in accordance with the provisions of this Plan of Allocation, or another plan approved by the Court.

The Recognized Loss formula set forth below is not intended to be an estimate of the amount that a Class Member might have been able to recover after a trial, nor is it an estimate of the amount that will be paid to Authorized Claimants pursuant to the Settlement. The Recognized Loss formula is the basis upon which the Net Settlement Fund will be proportionately allocated to the Authorized Claimants.

I. CERTAIN DEFINITIONS

A. The term “market loss” means the amount by which the actual purchase or acquisition price is greater than the actual sale or holding price of DG’s publicly traded securities.

B. The term “market profit” means the amount by which the actual purchase or acquisition price is less than the actual sale or holding price of DG’s publicly traded securities.

C. The terms “net market loss” and “net market profit” mean any market loss or profit that occurs from the trading of DG’s publicly traded securities during the Class Period, as discussed in “Computation of Net Recognized Loss for Each Class Member” below.

D. The term “Recognized Loss,” as used herein, is not market loss or net market loss. It is a calculation to arrive at a loss figure for purposes of calculating an Authorized Claimant’s pro rata participation in the Net Settlement Fund as described below.

F. The term “Net Settlement Fund” has the same meaning as in the Stipulation of Settlement.

G. The date of a purchase or sale of DG’s publicly traded securities (“Transaction Date”) will be deemed to have occurred on the “contract” or “trade” date as opposed to the “settlement” or “payment” date. Any person or entity that sold DG Fastchannel common stock

“short” shall have no Recognized Loss with respect to the related purchase or cover of said short sale during the Class Period.

II. GENERAL PROVISIONS

A. Allocation of Net Settlement Fund

Purchases of DG Fastchannel common stock from February 16, 2010 through and including August 3, 2010 (“Early Disclosure Period”) will be allocated not more than 10% of the Net Settlement Fund. Purchases of DG Fastchannel common stock from August 4, 2010 through and including August 29, 2010 (“Late Disclosure Period”) will be allocated at least 85% of the Net Settlement Fund. Transactions in DG Fastchannel call and put options from February 16, 2010 through and including August 29, 2010 will be allocated not more than 5% of the Net Settlement Fund.

B. Computation of Loss Per Share for Common Stock Purchases Or Acquisitions

Computation of the Loss Per Share reflects price changes of DG Fastchannel common stock in reaction to certain public announcements regarding DG Fastchannel, adjusting for price changes that were attributable to market and industry influences, or other company information unrelated to the alleged fraud, based on Plaintiffs’ allegations in the Consolidated Amended Class Action Complaint.

C. Use of “FIFO” Methodology for Computation of Recognized Losses for Class Members Who Made Multiple Transactions in DG’s Publicly Traded Securities During the Class Period

For Class Members who made multiple purchases, acquisitions or sales of DG’s publicly traded securities during the Class Period, the earliest subsequent sale of the same type of security shall be matched first against the claimant’s closing position in the same securities on the day

before the first day of the Class Period, and then matched chronologically thereafter against each purchase or acquisition made during the Class Period.²

For transactions in DG's options, each Recognized Loss calculated below is based on each FIFO matched purchase and sale or written, repurchased or closeout of DG Fastchannel option contracts, and cannot be less than zero.³

D. No Recognized Losses for Certain Purchases, Acquisitions and Sales

Purchases or acquisitions of DG's publicly traded securities before February 16, 2010 will have a Recognized Loss of zero. This is because any purchases or acquisitions before the first day of the Class Period are not impacted by the alleged wrongdoing.

Purchases or acquisitions of DG's common stock that are matched to sales prior to August 30, 2010 will have a Recognized Loss of zero. This is because any losses prior to the first corrective disclosure cannot be caused by that disclosure, but rather by other market forces.

Purchases or acquisitions of DG's call options, and written put options, that are not open on August 30, 2010 will have a Recognized Loss of zero. This is because any losses prior to the first corrective disclosure cannot be caused by that disclosure, but rather by other market forces or non-fraud information.

E. Acquisition by Gift, Inheritance or Operation of Law

If a Class Member acquired DG's publicly traded securities during the Class Period by way of gift, inheritance or operation of law, such a claim will be computed by using the Transaction Date and price of the original purchase and not the date and price of transfer. To the extent those shares or options were originally purchased prior to commencement of the Class Period, the Recognized Loss for that acquisition shall be zero.

² Matching will be based on the expiration date, exercise price and contract type of each option matched.

³ Option prices are in per share amounts, not per contract. Exchange traded option contracts are generally for 100 shares per contract.

F. Payments Less Than \$10

A payment to any Class Member that would amount to less than \$10.00 in total will not be included in the calculation of the Net Settlement Fund, and no payment will be made to those Class Members.

III. CALCULATION OF RECOGNIZED LOSSES FOR COMMON STOCK

A. Recognized Loss for Purchases or Acquisitions of DG Fastchannel Common Stock

For shares of DG Fastchannel common stock purchased or otherwise acquired during the Class Period, and:

- i. Sold on or before August 29, 2010, the Recognized Loss Per Share is \$0;
- ii. Still held at the end of the day on August 29, 2010 and sold prior to the close of trading on August 30, 2010, the Recognized Loss Per Share is the lesser of: (i) the purchase price minus the sale price; or (ii) \$9.01 per share.
- iii. Still held at the close of business on August 30, 2010, the Recognized Loss Per Share is the lesser of: (i) the purchase price minus \$15.11; or (ii) \$9.01 per share.

IV. CALCULATION OF RECOGNIZED LOSSES FOR OPTIONS

A. Call Options

For call options on DG Fastchannel common stock *purchased*⁴ during the Class Period, and:

- i. *open* at the end of the calendar day on August 29, 2010, the Recognized Loss per call option is the price paid for the option less the option price at the close of business August 30, 2010.

⁴ For call options on DG Fastchannel common stock *written* during the Class Period, the Recognized Loss per call option is \$0.

ii. *not open* at the end of the calendar day on August 29, 2010, the claim per call option is \$0.

B. Put Options

For put options on DG Fastchannel common stock *written*⁵ during the Class Period, and:

i. *open* at the end of the calendar day on August 29, 2010, the Recognized Loss per put option is the difference between the price of the option at the close of business August 30, 2010 and the initial proceeds received when the option was written.

ii. *not open* at the end of the calendar day on August 29, 2010, the Recognized Loss per put option is \$0.

Shares of DG Fastchannel common stock acquired during the Class Period through the exercise of a call option shall be treated as a purchase on the date of exercise for the exercise price plus the cost of the call option, and any Recognized Loss or Market Loss arising from such transaction shall be computed as provided for other purchases of DG Fastchannel common stock as set forth herein

For DG Fastchannel put options that were sold or written during the class period that were “put” to the Claimant (i.e. exercised), the common stock shall be treated as a purchase on the date of exercise for the exercise price less the proceeds received when the put contract was written, and any Recognized Loss or Market Loss arising from such transaction shall be computed as provided for other purchases of DG Fastchannel common stock as set forth herein

The combined recovery for DG Fastchannel call options and the put options shall not exceed 5% of the Settlement Fund.

V. COMPUTATION OF NET RECOGNIZED LOSS FOR EACH CLASS MEMBER

⁵ For put options on DG Fastchannel common stock *purchased* during the Class Period, the Recognized Loss per put option is \$0

The Recognized Loss or Gain with respect to a purchase or acquisition of DG Fastchannel security is calculated by multiplying the number of units of each security by the appropriate recognized loss for a single unit of that security, as set forth above Sections III and IV. A Recognized Loss cannot be less than zero.

The Net Recognized Loss for each Class Member is calculated by: (1) adding the Recognized Losses for each DG Fastchannel security purchased or acquired by the Class Member during the Class Period (i.e. adding all Recognized Losses for stocks and/or options); and (2) subtracting any recognized gains for each DG Fastchannel security purchased or acquired by the Class Member during the Class Period (i.e. subtracting all recognized gains for stocks and/or options).

NOTE: All market profits shall be subtracted from all market losses on all transactions in dg's publicly traded securities during the Class Period to determine the net market loss of each Class Member.

If, during the class period, a Class Member made a net market profit in DG Fastchannel common stock, the amount of the Class Member's claim shall be zero.

If, during the Class Period, a Class Member has a net market loss in DG Fastchannel common stock that is less than his, her or its net recognized loss, the Class Member's claim shall be limited to the Class Member's net market loss.

VI. DISTRIBUTION OF THE NET SETTLEMENT FUND

Distributions will be made to Authorized Claimants after all claims have been processed and after the Court has finally approved the Settlement. Following an initial distribution of the Net Settlement Fund, if Lead Counsel, in consultation with the Claims Administrator, determined that it is cost-effective to do so, the Claims Administrator will conduct a

redistribution of any funds remaining in the Net Settlement Fund by reason of returned or uncashed checks or otherwise, to Authorized Claimants who have cashed their initial distribution checks, after payment from the Net Settlement Fund of any unpaid Taxes and costs or fees incurred in administering the funds, including for such redistribution. Additional redistributions may occur thereafter to Authorized Claimants if Lead Counsel, in consultation with the Claims Administrator, determines that additional redistribution is cost-effective. When it is determined that the redistribution of funds remaining in the Net Settlement Fund is not cost-effective, the remaining balance of the Net Settlement Fund shall be contributed to a non-sectarian, not-for-profit organization.

Each Claimant shall be deemed to have submitted to the jurisdiction of the United States District Court for the Southern District of New York with respect to his, her or its Claim Form.

**SPECIAL NOTICE TO SECURITIES BROKERS
AND OTHER NOMINEES**

If you purchased or otherwise acquired DG's publicly traded securities during the Class Period for the beneficial interest of a person or organization other than yourself, the Court has directed that, WITHIN SEVEN (7) CALENDAR DAYS OF YOUR RECEIPT OF THIS NOTICE, you either: (a) provide to the Claims Administrator the name and last known address of each person or organization for whom or which you purchased or otherwise acquired DG's publicly traded securities during such time period (preferably in an MS Excel data table, setting forth (i) title/registration, (ii) street address, (iii) city/state/zip; or electronically in MS Word or WordPerfect files; or on computer-generated mailing labels) or; (b) request additional copies of this Notice and the Proof of Claim form, which will be provided to you free of charge, and

within seven (7) calendar days of receipt of such copies send them by First-Class directly to the beneficial owners of those DG securities.

If you choose to follow alternative procedure (b), the Court has directed that, upon such mailing, you send a statement to the Claims Administrator confirming that the mailing was made as directed. You are entitled to reimbursement from the Settlement Fund of your reasonable expenses actually incurred in connection with the foregoing, including reimbursement of postage expense and the cost of ascertaining the names and addresses of beneficial owners. Those expenses will be paid after request and submission of appropriate supporting documentation. All communications concerning the foregoing should be addressed to the Claims Administrator:

In re DG Fastchannel, Inc.
Claims Administrator
c/o: Strategic Claims Services
600 N. Jackson Street, Suite 3
Media, PA 19063
Phone: 866-274-4004; Fax: 610-565-7985
info@strategicclaims.net
www.strategicclaims.net

Dated: _____, 2011

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

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK**

IN RE DG FASTCHANNEL, INC.
SECURITIES LITIGATION

:
:
: No. 10 Civ. 6523 (RJS)
:
:
:

: **PROOF OF CLAIM**
: **AND RELEASE**
:
:
:
:

TO HAVE AN OPPORTUNITY TO RECEIVE A SHARE OF THE SETTLEMENT FUND,
YOU MUST COMPLETE AND SIGN THIS PROOF OF PROOF OF CLAIM, AND RETURN
IT TO:

IN RE DG FASTCHANNEL, INC.
CLAIMS ADMINISTRATOR
C/O Strategic Claims Services
600 N. Jackson Street, Suite 3
Media, PA 19063

MAIL THIS FORM BY PREPAID, FIRST-CLASS MAIL, **POSTMARKED NO LATER
THAN OCTOBER 24, 2011**. FAILURE TO SUBMIT YOUR CLAIM BY OCTOBER 24,
2011 WILL SUBJECT YOUR CLAIM TO REJECTION AND PRECLUDE YOU FROM
RECEIVING ANY MONEY IN CONNECTION WITH THE SETTLEMENT OF THIS
LITIGATION.

DO NOT MAIL OR DELIVER YOUR PROOF OF CLAIM TO THE COURT, THE PARTIES
OR THEIR COUNSEL. ANY SUCH CLAIM WILL BE DEEMED NOT TO HAVE BEEN
SUBMITTED. SUBMIT YOUR CLAIM ONLY TO THE CLAIMS ADMINISTRATOR.

PART I - CLAIMANT INFORMATION

Last Name (Claimant)

First Name (Claimant)

Last Name (Beneficial Owner if Different From Claimant)

First Name (Beneficial Owner)

Last Name (Co-Beneficial Owner)

First Name (Co-Beneficial Owner)

Company/Other Entity (If Claimant Is Not An Individual)

Contact Person (If Claimant is Not An Individual)

Trustee/Nominee/Other

Account Number (If Claimant Is Not an Individual)

Trust/Other Date (If Applicable)

Address Line 1

Address Line 2 (If Applicable)

City

State

Zip Code

Foreign Province

Country

Foreign Zip Code

Telephone Number (Day)

Telephone Number (Night)

Beneficial Owner's Employer Identification Number or Social Security Number¹

¹ The taxpayer identification number (TIN), consisting of a valid Social Security number (SSN) for individuals or employer identification number (EIN) for business entities, trusts, estates, etc., and telephone number of the beneficial owner(s) may be used in verifying this claim.

Email Address (*Email address is not required, but if you provide it you authorize the Claims Administrator to use it in providing you with information relevant to this claim.*)

IDENTITY OF CLAIMANT (check only one box):

- | | | |
|-------------------------------------------------------------------------|----------------------------------------------------------------------------------|--------------------------------------|
| <input type="checkbox"/> Individual | <input type="checkbox"/> Joint Owners | <input type="checkbox"/> Estate |
| <input type="checkbox"/> Corporation | <input type="checkbox"/> Trust | <input type="checkbox"/> Partnership |
| <input type="checkbox"/> Private Pension Fund | <input type="checkbox"/> IRA, Keogh, or other type of individual retirement plan | |
| <input type="checkbox"/> Legal Representative | (indicate type of plan, mailing address, and name of current custodian) | |
| <input type="checkbox"/> Other (specify, describe
on separate sheet) | _____ | |
| | _____ | |
| | _____ | |

PART II - GENERAL INSTRUCTIONS

1. It is important that you completely read the Notice of Pendency of Class Action and Proposed Settlement (the “Notice”) that accompanies this Proof of Claim and Release (“Proof of Claim”), and the Plan of Allocation included in the Notice. The Notice contains the definitions of many of the defined terms (which are indicated by initial capital letters) used in this Proof of Claim. By signing and submitting this Proof of Claim, you will be certifying that you have read the Notice, including the terms of the releases described therein and provided for herein.

2. This Proof of Claim is directed to all persons and entities who purchased or otherwise acquired the publicly traded securities of DG Fastchannel, Inc. (“DG”) during the period from February 16, 2010 through and including August 29, 2010 (the “Class Period”), and who were allegedly damaged thereby (the “Class”).

3. IF YOU ARE NOT A CLASS MEMBER, OR IF YOU, OR SOMEONE ACTING ON YOUR BEHALF, FILED A REQUEST FOR EXCLUSION FROM THE CLASS, DO NOT SUBMIT A PROOF OF CLAIM. YOU MAY NOT, DIRECTLY OR INDIRECTLY, PARTICIPATE IN THE SETTLEMENT IF YOU ARE NOT A CLASS MEMBER. THUS, IF YOU FILE A VALID REQUEST FOR EXCLUSION IN A TIMELY MANNER, ANY PROOF OF CLAIM THAT YOU SUBMIT, OR THAT MAY BE SUBMITTED ON YOUR BEHALF, WILL NOT BE ACCEPTED.

4. You may only participate in the distribution of the Net Settlement Fund if you are a member of the Class and if you complete and return this form as specified below. If you fail to file a timely, properly addressed, and completed Proof of Claim, your claim may be rejected and you may be precluded from receiving any distribution from the Net Settlement Fund.

5. **Submission of this Proof of Claim does not guarantee that you will share in the Net Settlement Fund.** The distribution of the Net Settlement Fund will be governed by the Plan of Allocation set forth in the Notice, if approved by the Court, or such other plan of allocation as the Court approves.

6. Use Part III of this Proof of Claim entitled “SCHEDULE OF TRANSACTIONS IN DG FASTCHANNEL SECURITIES DURING THE CLASS PERIOD” to supply all required details of your transaction(s) in the publicly traded securities of DG during the Class Period. On the schedule, provide all the requested information with respect to all purchases, acquisitions and sales of DG’s publicly traded securities during the Class Period.

7. You are required to submit genuine and sufficient documentation for all your transactions in and holdings of DG securities during the Class Period as set forth in the Schedule of Transactions in Part III. 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.

8. Separate Claim Forms should be submitted for each legal entity that has a claim. For example, if one joint owner also has an individual claim, two Claim Forms should be submitted. However, each Claim Form should include all transactions made by that entity, even if the transactions were in different accounts.

9. All joint beneficial owners must each sign this Proof of Claim. If you purchased or acquired the publicly traded securities of DG during the 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 the publicly traded securities of DG during the 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.

10. Agents, executors, administrators, guardians, and trustees must complete and sign the Proof of Claim on behalf of persons represented by them, and they must:

(a) expressly state the capacity in which they are acting;

(b) identify the name, account number, Social Security number (or taxpayer identification number), address and telephone number of the beneficial owner of (or other person or entity on whose behalf they are acting with respect to) the publicly traded securities of DG during the Class Period; and

(c) furnish herewith evidence of their authority to bind the person or entity on whose behalf they are acting. (Authority to complete and sign a Proof of Claim cannot be established by stockbrokers demonstrating only that they have discretionary authority to trade stock in another person's accounts.)

11. **NOTICE REGARDING ELECTRONIC FILES:** To obtain the mandatory electronic filing requirements and file layout, visit the website at www.strategicclaims.net or email the Claims Administrator at info@strategicclaims.net.

12. If you have questions concerning the Proof of Claim, or need additional copies of the Proof of Claim or the Notice, you may contact the Claims Administrator, Strategic Claims Services, at the above address or by toll-free phone at 1-866-274-4004, or you may download the documents from www.strategicclaims.net.

PART III - SCHEDULE OF TRANSACTIONS IN THE PUBLICLY TRADED SECURITIES OF DG FASTCHANNEL DURING THE CLASS PERIOD

A. BEGINNING HOLDINGS OF COMMON STOCK

State the total number of shares of DG common stock held as of _____ **IF NONE, CHECK HERE**
 the close of trading on February 15, 2010.

Date (s) of Purchase(s) (List Chronologically) <u>Month/Day/Year</u>	Number of <u>Shares Purchased</u>	Purchase Price Per Share (excluding commissions, taxes & fees)	Proof of purchase <u>enclosed</u>
___/___/___	_____	\$ _____	○Y ○N
___/___/___	_____	\$ _____	○Y ○N
___/___/___	_____	\$ _____	○Y ○N
___/___/___	_____	\$ _____	○Y ○N

B. SALES OF DG COMMON STOCK

Separately list each and every sale of DG common stock during the _____ **IF NONE, CHECK HERE**
 Class Period.

Date(s) of Sale(s) (List Chronologically) <u>Month/Day/Year</u>	Number of <u>Shares Sold</u>	Sale price per share (excluding commissions, taxes & fees)	Proof of sale <u>enclosed</u>
___/___/___	_____	\$ _____	○Y ○N
___/___/___	_____	\$ _____	○Y ○N
___/___/___	_____	\$ _____	○Y ○N
___/___/___	_____	\$ _____	○Y ○N

C. ENDING HOLDINGS OF COMMON STOCK

State the total number of shares of DG common stock held as of _____ **IF NONE, CHECK HERE**
 the close of trading on August 29, 2010.

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

D. BEGINNING POSITION OF CALL OPTIONS

At the beginning of trading on February 16, 2010, the following call options on DG common stock were owned:

Date of Purchase (Month/Day/Year)	Number of Contracts	Expiration Month and Year / Strike Price of Options (i.e. July 2010/\$40)	Purchase Price Per Contract	Amount Paid*	Exercised "E" or Expired "X"	Exercise Date (Month/Day/Year)

E. PURCHASES OF CALL OPTIONS

Purchases or other acquisitions, including by way of exchange, conversion or otherwise (on or after February 16, 2010 through and including August 29, 2010) of call options on DG common stock:

Date of Purchase (Month/Day/Year)	Number of Contracts	Expiration Month and Year / Strike Price of Options (i.e. July 2010/\$40)	Purchase Price Per Contract	Amount Paid*	Exercised "E" or Expired "X"	Exercise Date (Month/Day/Year)

F. SALES OF CALL OPTIONS

Sales of the above call options on DG common stock which call options were purchased before August 30, 2010 (**include all such sales no matter when they occurred**):

Date of Purchase (Month/Day/Year)	Number of Contracts	Expiration Month and Year / Strike Price of Options (i.e. July 2010/\$40)	Sale Price Per Contract	Amount Received*

* Excluding taxes, fees and commissions.

G. BEGINNING WRITTEN POSITION OF PUT OPTIONS

At the beginning of trading on February 16, 2010, the following put options written on DG common stock were open:

Number of Contracts	Expiration Month and Year / Strike Price of Options (i.e. July 2010/\$40)	Sale Price Per Contract	Amount Received*	Assigned "A" or Expired "E"	Assign Date (Month/Day/Year)

H. SALES (WRITING) OF PUT OPTIONS

Written (sold) put options on DG common stock (on or after February 16, 2010 through and including August 29, 2010) as follows:

Date of Writing (Sale) (Month/Day/Year)	Number of Contracts	Expiration Month and Year / Strike Price of Options (i.e. July 2010/\$40)	Sale Price Per Contract	Amount Received*	Assigned "A" or Expired "X"	Assign Date (Month/Day/Year)

I. COVERING TRANSACTIONS (REPURCHASES) OF PUT OPTIONS

Repurchases of the above put options on DG common stock that were written (sold) before August 30, 2010 (include all repurchases no matter when they occurred):

Date of Purchase (Month/Day/Year)	Number of Contracts	Expiration Month and Year / Strike Price of Options (i.e. July 2010/\$40)	Price Paid Per Contract	Aggregate Cost*

* Excluding taxes, fees and commissions.

PART IV - CERTIFICATION

YOU MUST SIGN ON PAGE ____ OF THIS PROOF OF CLAIM

I (we) hereby acknowledge that as of the Effective Date, I (we) shall: (i) have and be deemed to have fully, finally and forever waived, released, discharged and dismissed each and every one of the Released Defendant Parties from any and all of the Released Claims; (ii) have and be deemed to have covenanted not to sue any of the Released Defendant Parties with respect to any and all of the Released Claims; and (iii) forever be barred and enjoined from commencing, instituting, prosecuting or maintaining any of the Released Claims against any of the Released Defendant Parties.

By signing and submitting this Proof of Claim, the claimant(s) or the person(s) who represents the claimant(s) certifies, as follows:

1. that I (we) have read the Notice, the Plan of Allocation and the Proof of Claim, including the releases provided for in the Settlement;
2. that the claimant(s) is (are) Class Member(s), as defined in the Notice, and is (are) not excluded from the Class;
3. that the claimant(s) has (have) not submitted a request for exclusion from the Class;
4. that the claimant(s) owns(ed) the DG securities identified in the Proof of Claim during the Class Period and has (have) not assigned the claim against the Released Defendant Parties to another, or that, in signing and submitting this Proof of Claim, the claimant(s) has (have) the authority to act on behalf of the owner(s) thereof;
5. that the claimant(s) has (have) not submitted any other claim covering the same purchases, sales, or holdings of DG securities during the Class Period and knows of no other person having done so on his/her/its/their behalf;
6. that the claimant(s) submits (submit) to the jurisdiction of the Court with respect to his/her/its/their claim and for purposes of enforcing the releases set forth herein;
7. that I (we) agree to furnish such additional information with respect to this Proof of Claim as the Claims Administrator or the Court may require;
8. that the claimant(s) waives (waive) the right to trial by jury, to the extent it exists, and agrees (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
9. that I (we) acknowledge that the claimant(s) will be bound by and subject to the terms of any judgment that may be entered in the Litigation;

UNDER THE PENALTIES 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

Print Name of Claimant

Date

Signature of Joint Claimant, if any

Print Name of Joint Claimant

Date

THIS PROOF OF CLAIM MUST BE MAILED TO THE CLAIMS ADMINISTRATOR BY FIRST-CLASS MAIL, POSTAGE PREPAID, **POSTMARKED BY OCTOBER 24, 2011**, ADDRESSED AS FOLLOWS:

IN RE DG FASTCHANNEL, INC.
Claims Administrator
c/o: Strategic Claims Services
600 N. Jackson Street, Suite 3
Media, PA 19063

You should be aware that it will take a significant amount of time to fully process all of the Proof of Claims. Please notify the Claims Administrator of any change of address.

REMINDER CHECKLIST

1. Please sign the above release and certification. If this Proof of Claim is being made on behalf of joint claimants, then both must sign.
2. Remember to attach only copies of supporting documentation.
3. Please do not highlight any portion of the Proof of Claim 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 Proof of Claim and documentation for your own records.
6. If you desire an acknowledgment of receipt of your Proof of Claim, please send it to the Claims Administrator Certified Mail, Return Receipt Requested.
7. If your address changes in the future, or if this Proof of Claim 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@strategicclaims.net, or visit www.strategicclaims.net.

and reimbursement of litigation expenses. The Court may change the date of the hearing without providing another notice.

IF YOU ARE A MEMBER OF THE CLASS DESCRIBED ABOVE, YOUR RIGHTS WILL BE AFFECTED BY THE PENDING LITIGATION AND THE PROPOSED SETTLEMENT AND YOU MAY BE ENTITLED TO SHARE IN THE NET SETTLEMENT FUND. If you have not yet received the full printed Notice of Pendency of Class Action and Proposed Settlement (“Notice”) and a Proof of Claim and Release Form (“Proof of Claim”), you may obtain copies of these documents by contacting the Claims Administrator:

In re DG Fastchannel, Inc.
Claims Administrator
c/o Strategic Claims Services
600 N. Jackson Street, Suite 3
Media, PA 19063
Phone: 866-274-4004; Fax: 610-565-7985
info@strategicclaims.net
www.strategicclaims.net

Inquiries, other than requests for information about the status of a claim, may also be made to Lead Counsel.

LABATON SUCHAROW LLP
Jonathan Gardner
140 Broadway
New York, New York 10005
Tel: (888) 219-6877
www.labaton.com
settlementquestions@labaton.com

If you are a Class Member, to be eligible to share in the distribution of the Settlement proceeds, you must submit a Proof of Claim postmarked no later than October 24, 2011. To exclude yourself from the Class, you must submit a written request for exclusion in accordance with the instructions set forth in the Notice that it is received or postmarked no later than August

23, 2011. If you are a Class Member and do not exclude yourself from the Class, you will be bound by the Final Order and Judgment of the Court. Any objections to the proposed Settlement, Plan of Allocation, and/or application for attorneys' fee and reimbursement of expenses must be filed with the Court and served on counsel for the Parties in accordance with the instructions set forth in the Notice, such that they are received or postmarked no later than August 23, 2011. If you are a Class Member and do not timely submit a valid Proof of Claim, you will not be eligible to share in the Net Settlement Fund, but you nevertheless will be bound by the Final Order and Judgment of the Court.

DATED: _____

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