

1 Christopher J. Keller (pro hac vice)
Jonathan Gardner (pro hac vice)
2 LABATON SUCHAROW LLP
140 Broadway
3 New York, New York 10005
Telephone: (212) 907-0700
4 Facsimile: (212) 818-0477

5 *Attorneys for Lead Plaintiff Kwok Wong
and Lead Counsel for the Class*

6 Robert A. Sacks (Cal. Bar No. 150146)
7 Adam S. Paris (Cal. Bar No. 190693)
Heidi B. Bradley (Cal. Bar No. 243403)
8 SULLIVAN & CROMWELL LLP
1888 Century Park East, Suite 2100
9 Los Angeles, California 90067
Telephone: (310) 712-6600
10 Facsimile: (310) 712-8800

11 *Attorneys for Defendant MRV Communications, Inc.,
with authority to execute on behalf of Individual
12 Defendants*

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

14
15 KEVIN D. RAMSEY, Individually And
On Behalf of All Similarly Situated,

16 Plaintiff,

17 v.

18 MRV COMMUNICATIONS INC.,
NOAM LOTAN, SHAY GONEN,
19 MICHAEL BLUST, KEVIN RUBIN,
GUY AVIDAN, GUENTER
20 JAENSCH, IGAL SHIDLOVSKY,
DANIEL TSUI, BARUCH FISHCHER,

21 Defendants.

Civil Action No. CV-08-04561
GAF(RCx)

Honorable Gary A. Feess

PRELIMINARY APPROVAL ORDER
PROVIDING FOR NOTICE AND
HEARING IN CONNECTION WITH
22 PROPOSED CLASS ACTION
23 SETTLEMENT

Date: May 17, 2010
Time: 9:30 a.m.
Before: The Hon. Gary A. Feess

24 WHEREAS, on April 16, 2010, the parties to the above-captioned action
25 (the "Litigation") entered into a Stipulation and Agreement of Settlement (the
26 "Stipulation"), which is subject to review under Rule 23 of the Federal Rules of
27 Civil Procedure and which, together with the exhibits thereto, sets forth the terms
28

1 and conditions of the proposed settlement of the claims alleged in the Second
2 Amended Consolidated Class Action Complaint for Violation of the Federal
3 Securities Laws (“Second Amended Complaint”) on the merits and with prejudice
4 (the “Settlement”); and the Court having read and considered the Stipulation and
5 the accompanying exhibits; and the parties to the Stipulation having consented to
6 the entry of this Order; and all capitalized terms used herein having the meanings
7 defined in the Stipulation;

8 NOW, THEREFORE, IT IS HEREBY ORDERED, this 14th day of May ,
9 2010 that:

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

13 2. The Court hereby certifies the following class for the purposes of
14 settlement only (the “Settlement Class”), pursuant to Rule 23(a) and Rule 23(b)(3)
15 of the Federal Rules of Civil Procedure: all Persons that purchased the common
16 stock of MRV Communications, Inc. (“MRV” or the “Company”) during the
17 period between March 31, 2003 and October 8, 2009, inclusive, and were damaged
18 thereby. Excluded from the Settlement Class are: Defendants; the current and
19 former officers and directors of the Company; the members of the immediate
20 families of any excluded Person; the legal representatives, heirs, successors or
21 assigns of any excluded Person; any entity in which any Defendant has or had a
22 controlling interest; and any Person that timely and validly seeks exclusion from
23 the Settlement Class.

24 3. The Court finds and concludes that the prerequisites of class action
25 certification under Fed. R. Civ. P. 23(a) and 23(b)(3) have been satisfied for the
26 Settlement Class defined herein, in that:

27 (a) the members of the Settlement Class are so numerous that
28 joinder of all Class Members is impracticable;

1 (b) there are questions of law and fact common to the Class
2 Members;

3 (c) Lead Plaintiff's claims are typical of the Settlement Class's
4 claims;

5 (d) Lead Plaintiff and his counsel have fairly and adequately
6 represented and protected the interests of the Settlement Class;

7 (e) the questions of law and fact common to the Class Members
8 predominate over any individual questions; and

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

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

21 5. A hearing (the "Settlement Hearing") pursuant to Rule 23(e) of the
22 Federal Rules of Civil Procedure is hereby scheduled to be held before the Court
23 on November 15, 2010, at 9:30 am for the following purposes:

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

26 (b) to determine whether the Final Order and Judgment as provided
27 under the Stipulation should be entered, dismissing the Second Amended
28 Complaint filed herein, on the merits and with prejudice, and to determine whether

1 the release by the Settlement Class of the Released Claims, as set forth in the
2 Stipulation, should be provided to the Released Defendant Parties;

3 (c) to determine whether the Settlement Class should be certified
4 for settlement purposes only and the appointment of Lead Plaintiff and Lead
5 Counsel as Class Representative and Class Counsel, respectively;

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

8 (e) to consider Lead Counsel's application for an award of
9 attorneys' fees and expenses;

10 (f) to consider Lead Plaintiff's application, if any, for his
11 reasonable costs and expenses (including lost wages) relating to his representation
12 of the Settlement Class; and

13 (g) to rule upon such other matters as the Court may deem
14 appropriate.

15 6. The Court reserves the right to approve the Settlement with or without
16 modification and with or without further notice of any kind. The Court further
17 reserves the right to enter the Final Order and Judgment approving the Settlement
18 and dismissing the Second Amended Complaint on the merits and with prejudice
19 regardless of whether it has approved the Plan of Allocation or awarded attorneys'
20 fees and expenses. The Court may also adjourn the Settlement Hearing or modify
21 any of the dates herein without further notice to members of the Settlement Class.

22 7. The Court approves the form, substance and requirements of the
23 Notice of Pendency of Class Action and Proposed Settlement (the "Notice") and
24 the Proof of Claim and Release form ("Proof of Claim"), annexed hereto as
25 Exhibits 1 and 2 respectively.

26 8. The Court approves the appointment of Berdon Claims
27 Administration LLC as the Claims Administrator to supervise and administer the
28 notice procedure as well as the processing of claims as more fully set forth below.

1 The Claims Administrator shall cause the Notice and the Proof of Claim,
2 substantially in the forms annexed hereto (“Claim Packet”), to be mailed, by first
3 class mail, postage prepaid, on or before May 31, 2010 (“Notice Date”), to all
4 Class Members who can be identified with reasonable effort. As these mailings
5 will be made to the Settlement Class Member’s last known address, it is possible
6 that Claim Packets will be returned by the post office. If a forwarding address is
7 provided by the post office, the Claims Administrator shall re-send the Claim
8 Packet to the Settlement Class Member at that new address. If the post office does
9 not provide an updated address, then the Claims Administrator shall attempt to
10 locate the new address through a search of the National Change of Address
11 database. If an address can be found in that database, the Claim Packet shall be re-
12 mailed to the Settlement Class Member at the updated address. A Settlement Class
13 Member to whom the Claim Packet is re-mailed pursuant to this procedure shall
14 not have less than twenty-one (21) days to respond, provided that the Claim Packet
15 returned by the post office is received by the Claims Administrator at least thirty
16 (30) calendar days before the claims Bar Date.

17 9. Defendant MRV, to the extent it has not already done so, shall cause
18 its transfer records and shareholder information to be made available to the Claims
19 Administrator within seven (7) calendar days from the entry of this order for the
20 purpose of identifying and giving notice to the Settlement Class. The Claims
21 Administrator shall use reasonable efforts to give notice to nominee purchasers
22 such as brokerage firms and other persons or entities who purchased or otherwise
23 acquired MRV common stock during the period from March 31, 2003 through
24 October 8, 2009, inclusive, (the “Class Period”) as record owners but not as
25 beneficial owners by mailing the Claim Packet to such nominee purchasers. Such
26 nominee purchasers are directed, within seven (7) calendar days of their receipt of
27 the Claim Packet, to either send copies of the Claim Packet to their beneficial
28 owners by first class mail, or to provide the Claims Administrator with lists of the

1 names and addresses of the beneficial owners, and the Claims Administrator is
2 ordered to send the Claim Packet promptly to such identified beneficial owners by
3 first class mail. Nominee purchasers who elect to send the Claim Packet to their
4 beneficial owners shall also send a statement to the Claims Administrator
5 confirming that the mailing was made as directed. Additional copies of the Claim
6 Packet shall be made available to any record holder requesting such for the purpose
7 of distribution to beneficial owners, and such record holders may be reimbursed
8 from the Settlement Fund, after receipt by the Claims Administrator of proper
9 documentation, for their reasonable expenses incurred in sending the Claim Packet
10 to beneficial owners.

11 10. The Claims Administrator shall also post the Claim Packet on its
12 website. Lead Counsel shall, at or before the Settlement Hearing, file with the
13 Court proof of mailing and posting of the Claim Packet.

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

21 12. The form and content of the notice program described herein, and the
22 method set forth herein of notifying the Settlement Class of the Settlement and its
23 terms and conditions, meet the requirements of Rule 23 of the Federal Rules of
24 Civil Procedure, Section 21D(a)(7) of the Securities Exchange Act of 1934, 15
25 U.S.C. § 78u-4(a)(7), as amended by the Private Securities Litigation Reform Act
26 of 1995, and due process, constitute the best notice practicable under the
27 circumstances, and shall constitute due and sufficient notice to all persons and
28 entities entitled thereto.

1 13. In order to be entitled to receive a distribution from the net monetary
2 recovery pursuant to the Settlement (the “Net Settlement Fund”), in the event the
3 Settlement is effected in accordance with the terms and conditions set forth in the
4 Stipulation, each Class Member shall take the following actions and be subject to
5 the following conditions:

6 (a) A properly executed Proof of Claim, substantially in the form
7 attached hereto as Exhibit 2, must be submitted to the Claims Administrator, at the
8 address indicated in the Notice, postmarked not later than one hundred-twenty
9 (120) calendar days after the Notice Date. Such deadline may be further extended
10 by Court Order. Each Proof of Claim shall be deemed to have been submitted
11 when postmarked (if properly addressed and mailed by first class mail, postage
12 prepaid) provided such Proof of Claim is actually received prior to the motion for
13 an order of the Court approving distribution of the Net Settlement Fund. Any
14 Proof of Claim submitted in any other manner shall be deemed to have been
15 submitted when it was actually received at the address designated in the Notice.
16 Any Class Member who does not timely submit a Proof of Claim within the time
17 provided for shall be barred from sharing in the distribution of the proceeds of the
18 Net Settlement Fund, unless otherwise ordered by the Court.

19 (b) The Proof of Claim submitted by each Class Member must
20 satisfy the following conditions, unless otherwise ordered by the Court: (i) it must
21 be properly completed, signed and submitted in a timely manner in accordance
22 with the provisions of the preceding subparagraph; (ii) it must be accompanied by
23 adequate supporting documentation for the transactions reported therein, in the
24 form of broker confirmation slips, broker account statements, an authorized
25 statement from the broker containing the transactional information found in a
26 broker confirmation slip, or such other documentation as is deemed adequate by
27 Lead Counsel; (iii) if the person executing the Proof of Claim is acting in a
28 representative capacity, a certification of her current authority to act on behalf of

1 the Class Member must be included in the Proof of Claim; and (iv) the Proof of
2 Claim must be complete and contain no material deletions or modifications of any
3 of the printed matter contained therein and must be signed under penalty of
4 perjury.

5 (c) As part of the Proof of Claim, each Class Member shall submit
6 to the jurisdiction of the Court with respect to the claim submitted, and shall
7 (subject to effectuation of the Settlement) release all Released Claims as provided
8 in the Stipulation.

9 (d) Proofs of Claim that do not meet the submission requirements
10 may be rejected. Prior to rejection of a Proof of Claim, the Claims Administrator
11 shall communicate with the claimant in order to afford the claimant the opportunity
12 to remedy curable deficiencies in the Proof of Claim submitted. The Claims
13 Administrator, under supervision of Lead Counsel, shall notify in a timely fashion
14 (assuming receipt of the Proof of Claim by the Bar Date) and in writing, all
15 claimants whose Proofs of Claim they propose to reject in whole or in part, setting
16 forth the reasons therefore, and shall indicate in such notice that the claimant
17 whose claim is to be rejected in whole or in part has the right to a review by the
18 Court if such claimant so desires.

19 14. Class Members shall be bound by all orders, determinations and
20 judgments in this Litigation, whether favorable or unfavorable, unless such Persons
21 request exclusion from the Settlement Class in a timely and proper manner, as
22 hereinafter provided. A Class Member wishing to make such an exclusion request
23 shall mail the request in written form by first class mail postmarked no later than
24 November 1, 2010, fourteen (14) calendar days prior to the date set herein for the
25 Settlement Hearing, to the address designated in the Notice for such exclusions.
26 Such request for exclusion shall clearly indicate the name, address and telephone
27 number of the person seeking exclusion, that the sender requests to be excluded
28 from the Settlement Class in the *MRV Communications, Inc. Settlement*, No. CV-

1 08-04561 GAF (RCx), and must be signed by such person. Such persons
2 requesting exclusion are also directed to state: the date(s), price(s), and number(s)
3 of shares of all purchases, acquisitions, and sales of MRV common stock during
4 the Class Period. The request for exclusion shall not be effective unless it provides
5 the required information and is made within the time stated above, or the exclusion
6 is otherwise accepted by the Court.

7 15. A Class Member may submit a written revocation of a request for
8 exclusion to the Claims Administrator so that it is received no later than three (3)
9 calendar days before the Settlement Hearing in order to be eligible to receive
10 payments pursuant to the Stipulation and Settlement, provided the Class Member
11 also timely submits a valid Proof of Claim.

12 16. Class Members requesting exclusion from the Settlement Class shall
13 not be entitled to receive any payment out of the Net Settlement Fund as described
14 in the Stipulation and Notice.

15 17. The Court will consider objections to the Settlement, the Plan of
16 Allocation, the request for an award of attorneys' fees or the requests for
17 reimbursement of expenses only if such objections and any supporting papers are
18 filed in writing with:

19 Clerk of the Court
20 United States District Court
for the Central District of California
21 The Roybal Federal Building
255 East Temple Street
22 Los Angeles, CA 90012

23 and copies of all such papers are delivered or sent by first class mail (with a
24 corresponding postmark), on or before November 1, 2010, fourteen (14) calendar
25 days prior to the date set herein for the Settlement Hearing, upon each of the
26 following:

27 ***On behalf of Lead Plaintiff and the Settlement Class:***

1 LABATON SUCHAROW LLP
Jonathan Gardner
2 140 Broadway
New York, New York 10005
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4 *On behalf of the Defendants:*

5 Sullivan & Cromwell LLP
Robert A. Sacks
6 1888 Century Park East, Suite 2100
Los Angeles, California 90067
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8 Attendance at the hearing is not necessary; however, Persons wishing to be heard
9 orally in opposition to the approval of the Settlement, the Plan of Allocation,
10 and/or the requests for attorneys' fees and other expenses are required to indicate
11 in their written objection their intention to appear at the hearing. Persons who
12 intend to object to the Settlement, the Plan of Allocation, and/or the requests for an
13 award of attorneys' fees and other expenses and desire to present evidence at the
14 Settlement Hearing must include in their written objections the identity of any
15 witnesses they may call to testify and exhibits they intend to introduce into
16 evidence at the Settlement Hearing. Class Members do not need to appear at the
17 hearing or take any other action to indicate their approval.
18

19 18. Any Class Member who does not make his, her or its objection in the
20 manner provided shall be deemed to have waived such objection and shall forever
21 be foreclosed from making any objection to the fairness, reasonableness or
22 adequacy of the Settlement, to the Plan of Allocation, and/or the requests for an
23 award of attorneys' fees and other expenses, unless otherwise ordered by the
24 Court, but shall otherwise be bound by the judgment to be entered and the releases
25 to be given.

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

3 20. As provided in the Stipulation, Lead Counsel may pay the Claims
4 Administrator a portion of the reasonable fees and costs associated with giving
5 notice to the Settlement Class and the review of claims and administration of the
6 Settlement out of the Settlement Fund, including paying taxes, without further
7 order of the Court.

8 21. All papers in support of the Settlement, Plan of Allocation, Lead
9 Counsel's request for an award of attorneys' fees and expenses and Lead Plaintiff's
10 request, if any, for his reasonable costs and expenses (including lost wages)
11 relating to its representation of the Settlement Class shall be filed with the Court
12 and served by overnight mail or hand delivery no later than October 18, 2010,
13 twenty-eight (28) days prior to the date set herein for the Settlement Hearing.

14 22. No person who is not a Class Member, Lead Plaintiff or Lead Counsel
15 shall have any right to any portion of, or to any distribution of, the Net Settlement
16 Fund unless otherwise ordered by the Court or otherwise provided in the
17 Stipulation.

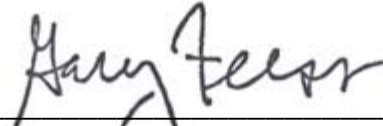
18 23. All funds held in escrow shall be deemed and considered to be in
19 *custodia legis* of the Court, and shall remain subject to the jurisdiction of the Court
20 until such time as such funds shall be distributed pursuant to the Stipulation and/or
21 further order of the Court.

22 24. If any specified condition to the Settlement set forth in the Stipulation
23 is not satisfied and Lead Plaintiff, Lead Counsel or Defendants elect to terminate
24 the Settlement as provided in paragraphs 39 – 40 of the Stipulation, then, in any
25 such event, the Stipulation, including any amendment(s) thereof, except as
26 expressly provided in the Stipulation, and this Preliminary Approval Order shall be
27 null and void, of no further force or effect, and without prejudice to any Settling
28 Party, and may not be introduced as evidence or used in any actions or proceedings

1 by any person or entity against the Parties, and each Settling Party shall be restored
2 to his, her or its respective litigation position as it existed prior to the execution of
3 the Stipulation.

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

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7 Dated: May 14, 2010



8 Honorable Gary A. Feess
9 UNITED STATES DISTRICT JUDGE

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