

EXHIBIT 1

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

JULIAN PEREZ, individually and on
behalf of all others similarly situated,

Plaintiffs,

v.

IZEA, INC., EDWARD MURPHY,
and LEANN C. HITCHCOCK.

Defendants.

Case No. 2:18-cv-02784-SVW-GJS

STIPULATION OF SETTLEMENT

CLASS ACTION

This Stipulation of Settlement (the “Stipulation”), dated as of April 15 2019, is entered into among Lead Plaintiffs Steven Highfill, Saverio La Francesca, and Jasdeep Condle (“Plaintiffs”) and Defendants IZEA, Inc., Edward Murphy, and LeAnn C. Hitchcock (“Defendants”) (collectively the “Parties”), through their respective counsel of record relating to the above-captioned litigation. This Stipulation is intended to fully, finally and forever resolve, discharge and settle all certified claims asserted in this Action against Defendants subject to the approval of the United States District Court for the Central District of California (the “Court”).

1 **I. THE LITIGATION**

2 **A. Procedural History of the Litigation**

3 This securities class action was brought on behalf of purchasers of IZEA, Inc.
4 (“IZEA” or the “Company”) securities from May 15, 2015 through April 3, 2018 (the
5 “Settlement Class Period”) under Sections 10(b) and 20(a) of the Securities Exchange
6 Act of 1934.¹ In the Complaint (as defined below), Plaintiffs allege they were damaged
7 by allegedly false and misleading statements made by Defendants during the
8 Settlement Class Period about how IZEA recognized revenue for one of its lines of
9 business during the Settlement Class Period. Namely, on April 2, 2018, IZEA issued
10 a press release stating that the amount it had previously reported as gross profit from
11 one of its business lines should be the amount reported as net revenue and announced
12 that it would be filing a restatement of its financial statements from 2015 through
13 third quarter 2017 and the announcement of its 2017 financial statement would be
14 delayed. In that same press release, IZEA explained that the reclassification of the
15 line items ultimately had no impact on the Company’s bottom line.
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21 On April 4, 2018, this class action lawsuit was filed against Defendants alleging
22 violations of the Securities Exchange Act. On July 17, 2018, Judge Stephen V.
23 Wilson appointed Plaintiffs as Lead Plaintiffs of the putative class of IZEA
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27 ¹ On August 20, 2018, IZEA, Inc. changed its name to IZEA Worldwide, Inc. Either
28 name applies equally for the purposes of this Stipulation.

1 stockholders and set a deadline of August 31, 2018 for Plaintiffs to file an amended
2 complaint.
3

4 The Parties began settlement discussions shortly thereafter, and sought leave
5 from the Court to extend the deadline for Plaintiffs to file an amended complaint to
6 October 15, 2018 in order to allow the Parties to conduct a mediation in an effort to
7 resolve this action. On September 24, 2018, the parties voluntarily participated in a
8 full day mediation session presided over by Greg P. Lindstrom, Esq. of Phillips ADR,
9 which resulted in an agreement to resolve the certified claims asserted in the Action
10 for payment of \$1,200,000.00 in return for the dismissal with prejudice, of the class
11 action lawsuit, and the releases set forth herein.
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14 **B. Plaintiffs' Assessment of the Claims and Benefits of Settlement**

15 Plaintiffs believe that the allegations asserted in the Action, as reflected in the
16 information collected to date, have merit and support their claims. Nonetheless,
17 Plaintiffs and Lead Counsel (defined below) recognize the expense and length of
18 continued prosecution of the Action against Defendants through completion of
19 discovery, trial, and any subsequent appeals. Plaintiffs and Lead Counsel also have
20 taken into account the uncertain outcome and risks of any litigation, especially in
21 complex actions such as this one, as well as the difficulties and delays inherent in
22 such litigation.
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26 Plaintiffs and Lead Counsel believe that the Settlement set forth in this
27 Stipulation confers substantial benefits upon the Class (as defined below), and is fair,
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1 reasonable, adequate, and in the best interests of the Class. Plaintiffs and Lead
2 Counsel believe that the Settlement represents a favorable compromise of the claims.
3

4 **C. Defendants' Denials of Wrongdoing**

5 Defendants have denied and continue to deny, *inter alia*, that IZEA or
6 Defendants engaged in any wrongdoing, including, without limitations, that their
7 public statements were misleading; that they failed to disclose any material
8 information to investors; that they acted in any deceitful manner; and that any
9 investment losses sustained by Plaintiffs and the Class were caused by Defendants'
10 alleged misconduct.
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13 Nonetheless, taking into account the uncertainty and risks inherent in any
14 litigation, especially in complex cases such as this one, Defendants have concluded
15 that further litigation of the Action would be protracted, burdensome, and expensive,
16 and that it is desirable and beneficial that the claims asserted in the Action be fully
17 and finally settled and terminated in the manner and upon the terms and conditions
18 set forth in this Stipulation.
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21 **II. TERMS OF STIPULATION AND AGREEMENT OF SETTLEMENT**

22 **A. Introduction**

23 NOW, THEREFORE, IT IS HEREBY STIPULATED AND AGREED by and
24 among Plaintiffs, the Class, and each of them, and Defendants, and each of them, by
25 and through their respective undersigned counsel or attorneys of record that, subject
26 to approval of the Court pursuant to Rule 23(e) of the Federal Rules of Civil
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1 Procedure, and in consideration of the benefits flowing to the Parties from the
2 Settlement set forth herein, the Action and the Released Plaintiffs' Claims shall be
3 finally and fully compromised, settled and released, and the Action shall be dismissed
4 with prejudice, as to all Parties, upon and subject to the terms and conditions of this
5 Stipulation.
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8 **B. Definitions**

9 As used in this Stipulation, the following terms have the meanings specified
10 below:

11 1.0 "Action" means *Julian Perez v. IZEA, Inc., Edward Murphy, and LeAnn*
12 *C. Hitchcock*, No. 2:18-cv-02784-SVW-GJS (C.D. Cal.).

13 1.1 "Authorized Claimant" means any member of the Class who is a
14 Claimant (as defined in ¶ 1.4) and whose claim for recovery has been allowed
15 pursuant to the terms of this Stipulation.
16

17 1.2 "Bar Date" means the date of the Final Approval Hearing.
18

19 1.3 "Business Day" means any day except a Saturday or Sunday or other
20 day on which national banks are authorized by law or executive order to close in the
21 State of California.
22

23 1.4 "Claimant" means any Class Member (as defined in ¶ 1.7) who files a
24 Proof of Claim in such form and manner, and within such time, as the Court shall
25 prescribe.
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1 1.5 “Claims Administrator” means the firm of KCC Class Action Services,
2 which shall administer the Settlement.
3

4 1.6 “Class” means all persons and entities, other than Defendants and their
5 affiliates, who purchased or otherwise acquired the common stock of IZEA during
6 the period May 15, 2015 through April 3, 2018 for Plaintiffs’ claims under Sections
7 10(b) and 20(a) of the Securities Exchange Act of 1934. Excluded from the Class
8 are Defendants, all current and former directors and officers of IZEA during the Class
9 Period, and any family member, trust, company, entity or affiliate controlled or
10 owned by any of the excluded persons and entities referenced above. Also excluded
11 from the Class are those persons and entities who timely and validly request
12 exclusion from the Settlement.
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16 1.7 “Class Member” means any person or entity that falls within the
17 definition of the Class as set forth in ¶ 1.6.
18

19 1.8 “Class Period” or “Settlement Class Period” means the period from May
20 15, 2015 through April 3, 2018, both dates inclusive.
21

22 1.9 “Common Stock” or “Stock” means the shares of common stock of
23 IZEA.
24

25 1.10 “Complaint” means any and all complaints filed in the above-captioned
26 lawsuit, including but not limited to the Complaint filed in this action and any
27 complaints in actions consolidated by the Court into this Action.
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1 1.11 “Court” means the United States District Court for the Central District
2 of California.

3
4 1.12 “Defendants” means IZEA, Inc., Edward Murphy, and LeAnn C.
5 Hitchcock.

6 1.13 “Defendants’ Counsel” means the law firm of K&L Gates LLP.

7
8 1.14 “Effective Date” means the first date by which all of the events and
9 conditions specified in ¶ 8.0 of the Stipulation have been met and have occurred.

10 1.15 “Escrow Account” means an interest bearing escrow account
11 established by the Escrow Agent to receive the amounts of funds payable pursuant to
12 ¶ 2.0.

13
14 1.16 “Escrow Agent” means Computershare Trust Company, N.A. in
15 conjunction with Huntington Bank. The Escrow Agent shall perform the duties as set
16 forth in this Stipulation and any order of the Court.

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18 1.17 “Exchange Act” means the Securities Exchange Act of 1934, as
19 amended.

20
21 1.18 “Final” means (1) the Court has entered a Judgment approving the
22 Settlement in all material respects, including but not limited to, *inter alia*, (a)
23 certifying the Class for settlement purposes only, (b) approving the scope of the
24 Releases, and (c) ordering the Clerk of the Court to enter final judgment substantially
25 in the form set forth in Exhibit B pursuant to Federal Rule 54(b), finding that there is
26 no just reason for delay of enforcement or appeal of the order; and (2) the Judgment
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1 has been affirmed in all respects on any appeal or review and is no longer subject to
2 further appeal or review. Provided, however, and notwithstanding any provision to
3 the contrary in this Settlement, “Final” shall not include (and the Settlement is
4 expressly not conditioned upon) the Court’s approval of attorneys’ fees and the
5 reimbursement of expenses sought by Lead Counsel, the approval of payment of a
6 Lead Plaintiff Compensatory Award (defined below) for the time and expenses
7 expended by Plaintiffs, the approval of the Plan of Allocation, or any appeals solely
8 related thereto.
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12 1.19 “Judgment” means the proposed final order and judgment to be entered
13 by the Court approving the Settlement, substantially in the form attached hereto as
14 Exhibit B or in such other form as may be approved in writing by all of the Parties
15 acting by and through their respective counsel of record in the Action.
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17 1.20 “Lead Counsel” or “Co-Lead Counsel” means The Rosen Law Firm,
18 P.A. and Federman & Sherwood.
19

20 1.21 “Lead Plaintiff Compensatory Award” means the requested
21 reimbursement to Lead Plaintiffs for their reasonable costs and expenses (including
22 lost wages) directly relating to Lead Plaintiffs’ representation of the Class in the
23 Action.
24

25 1.22 “Notice” means the Notice Of Proposed Settlement Of Class Action
26 And Final Approval Hearing, which is to be sent to Class Members substantially in
27 the form attached hereto as Exhibit A-1.
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1 1.23 “Order of Preliminary Approval” means the order certifying the Class
2 for settlement purposes only, preliminarily approving the Settlement, and authorizing
3 notice thereof and related matters set forth as Exhibit A hereto.
4

5 1.24 “Parties” means Plaintiffs and Defendants.

6 1.25 “Person” means an individual, corporation, partnership, limited
7 partnership, association, joint stock company, estate, legal representative, trust,
8 unincorporated association, government or any political subdivision or agency
9 thereof, and any business or legal entity and their spouses, heirs, predecessors,
10 successors, representatives, or assigns.
11

12 1.26 “Plaintiffs” means Steven Highfill, Saverio La Francesca, and Jasdeep
13 Condle.
14

15 1.27 “Plan of Allocation” means a plan or formula for allocating the Net
16 Settlement Fund to Authorized Claimants. Any Plan of Allocation is not part of this
17 Stipulation and Defendants shall have no responsibility or liability with respect
18 thereto.
19

20 1.28 “Proof of Claim” means the Proof of Claim and Release to be submitted
21 by Claimants, substantially in the form attached as Exhibit A-2.
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23 1.29 “Publication Notice” means the Summary Notice of Pendency and
24 Proposed Settlement of Action and Final Approval Hearing thereon to be published
25 on a national business newswire, substantially in the form attached as Exhibit A-3.
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1 1.30 “Released Parties” means the Plaintiffs, the Plaintiffs’ Released Parties,
2 Defendants and Defendants’ Released Parties.
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4 (i) “Defendants’ Released Parties” shall mean each and every past and
5 current Defendant, including but not limited to IZEA, Inc., Edward Murphy, and
6 LeAnn C. Hitchcock, and, whether or not identified in any Complaint, each
7 Defendant and IZEA’s past, present or future directors, officers, employees, partners,
8 member firms, affiliates, principals, agents, predecessors, successors, parents,
9 subsidiaries, divisions, joint ventures, attorneys, accountants, insurers, assigns,
10 spouses, heirs, executors, trustees, general or limited partners or partnerships, limited
11 liability companies, members, personal or legal representatives, estates,
12 administrators, predecessors, successors and assigns or other individuals or entities
13 in which Defendants or IZEA have a controlling interest or which is related to or
14 affiliated with Defendants or IZEA, associates, related or affiliated entities, or any
15 members of their immediate families, or any trusts for which any of them are trustees,
16 settlers or beneficiaries.
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18 (ii) “Plaintiffs’ Released Parties” shall mean Plaintiffs, and their respective
19 past or present employees, attorneys, accountants, insurers, co-insurers and
20 reinsurers, heirs, executors, trustees, general or limited partners or partnerships,
21 limited liability companies, members, personal or legal representatives, estates,
22 administrators, predecessors, successors and assigns or other individuals or entities
23 in which Plaintiffs have a controlling interest or which is related to or affiliated with
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1 Plaintiffs and any other representatives of any of these Persons or entities whether or
2 not any such Released Parties were named, served with process or appeared in the
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4 Action.

5 1.31 “Defendants’ Released Claims” means all claims, demands, rights,
6 liabilities or causes of action, in law or in equity, accrued or unaccrued, fixed or
7 contingent, direct, individual or representative, of every nature and description
8 whatsoever, whether known or unknown, or based on federal, state, local, statutory
9 or common law or any other law, rule or regulation, including the law of any
10 jurisdiction outside the United States, that could have been brought heretofore or in
11 the future by Defendants or IZEA against Plaintiffs, Lead Counsel and Plaintiffs’
12 Released Parties, arising out of the instituting, prosecution, settlement or resolution
13 of the Action, provided however, that Defendants and IZEA shall retain the right to
14 enforce in the Court the terms of the Stipulation.
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18 1.32 “Released Plaintiffs’ Claims” means all claims (including “Unknown
19 Claims” as defined in ¶ 1.37), rights, demands, suits, matters, issues, liabilities, or
20 causes of action, in law or in equity, accrued or unaccrued, fixed or contingent, direct,
21 individual or representative, of every nature and description whatsoever, under
22 federal, state, local, foreign law, or any other law, rule, or regulation, whether known
23 or unknown, whether class or individual in nature, that were, could have been, or
24 could in the future be asserted against Defendants’ Released Parties in any court
25 of competent jurisdiction or any other adjudicatory tribunal, in connection with,
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1 arising out of, related to, based upon, in whole or in part, directly or indirectly, in any
2 way, the facts, transactions, events, occurrences, acts, disclosures, oral or written
3 statements, representations, filings, publications, disseminations, press releases,
4 presentations, accounting practices or procedures, compensation practices or
5 procedures, omissions or failures to act which were or which could have been alleged
6 or described in the Complaint, provided however, that Plaintiffs and Plaintiffs'
7 Released Parties shall retain the right to enforce in the Court the terms of the
8 Stipulation. Excluded from Released Plaintiffs' Claims are any claims brought
9 derivatively on behalf of IZEA.
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13 1.33 "Settled Claims" means all of the Released Plaintiffs' Claims, and/or
14 Defendants' Released Claims.
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16 1.34 "Settlement" means the settlement contemplated by this Stipulation.

17 1.35 "Settlement Amount" means One Million, Two Hundred Thousand
18 Dollars (\$1,200,000.00).
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20 1.36 "Settlement Fund" means an interest bearing escrow account
21 established by the Escrow Agent to receive the amounts of funds payable pursuant to
22 ¶ 2.0.
23

24 1.37 "Unknown Claims" shall collectively mean all claims, demands, rights,
25 liabilities, and causes of action of every nature and description which Plaintiffs or
26 any Class Member does not know or suspect to exist in his, her or its favor at the time
27 of the release of the Defendants and Defendants' Released Parties which, if known
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1 by him, her or it, might have affected his, her or its settlement with and release of the
2 Defendants and Defendants' Released Parties, or might have affected his, her or its
3 decision not to object to this Settlement. With respect to any and all Released
4 Plaintiffs' Claims, upon the Effective Date, Plaintiffs shall expressly waive, and each
5 of the Class Members shall be deemed to have waived, and by operation of the
6 Judgment shall have waived, the provisions, rights and benefits of California Civil
7 Code § 1542, which provides:
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10 A general release does not extend to claims which the
11 creditor does not know or suspect to exist in his or her favor
12 at the time of executing the release, which if known by him
13 or her must have materially affected his or her settlement
14 with the debtor.

15 Plaintiffs shall expressly and each of the Class Members shall be deemed to
16 have, and by operation of the Judgment shall have, expressly waived any and all
17 provisions, rights and benefits conferred by any law of any state or territory of the
18 United States, or principle of common law, which is similar, comparable or
19 equivalent to California Civil Code § 1542. Plaintiffs and Class Members may
20 hereafter discover facts in addition to or different from those which he, she or it now
21 knows or believes to be true with respect to the subject matter of the Released
22 Plaintiffs' Claims, but Plaintiffs shall expressly, fully, finally and forever settle and
23 release, and each Class Member, upon the Effective Date, shall be deemed to have,
24 and by operation of the Judgment shall have fully, finally, and forever settled and
25 released, any and all Released Plaintiffs' Claims, known or unknown, suspected or
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1 unsuspected, contingent or non-contingent, whether or not concealed or hidden,
2 which now exist, or heretofore have existed, upon any theory of law or equity now
3 existing or coming into existence in the future, including, but not limited to, conduct
4 which is negligent, intentional, with or without malice, or a breach of any duty, law
5 or rule, without regard to the subsequent discovery or existence of such different or
6 additional facts. Plaintiffs acknowledge, and the Class Members shall be deemed by
7 operation of the Judgment to have acknowledged, that the foregoing waiver was
8 separately bargained for and a key element of the Settlement of which this release is
9 a part.

13 **C. The Settlement Consideration**

14 2.0 In consideration of the full and final settlement of all claims asserted or
15 which could have been asserted against Defendants and Defendants' Released Parties
16 in this Action, Defendants shall direct payment of the Settlement Amount as follows:

18 (a) Within fifteen (15) Business Days after (i) execution of this Stipulation
19 and (ii) transmission to Defendants' Counsel of payee information for the Settlement
20 Fund (including the name, tax identification number, and Form W-9 or other
21 information that may be required by the insurer), Defendants shall direct their
22 insurers to wire or pay by check or draft, at the sole election of the insurers, to the
23 Escrow Agent \$250,000 (Two Hundred and Fifty Thousand Dollars) to be deposited
24 into the Settlement Fund.

25 (b) Within (20) Business Days after the Court's entry of the Order of
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1 Preliminary Approval Defendants shall direct their insurers to wire or pay by check
2 or draft, at the sole election of the insurers, to the Escrow Agent \$550,000 (Five
3 Hundred and Fifty Thousand Dollars) to be deposited into the Settlement Fund.
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5 (c) Within (20) Business Days after the Court's entry of the Order of
6 Preliminary Approval Defendants shall wire, or pay by check or draft, at the sole
7 election of Defendants, to the Escrow Agent \$400,000 (Four Hundred Thousand
8 Dollars) to be deposited by the Escrow Agent into the Settlement Fund.
9

10 **D. The Escrow Agent**

11 2.1 The Settlement Amount shall be invested exclusively in instruments or
12 accounts backed by the full faith and credit of the United States Government or fully
13 insured by the United States Government or an agency thereof, including a U.S.
14 Treasury Fund or a bank account that is either (a) fully insured by the Federal Deposit
15 Insurance Corporation ("FDIC") or (b) secured by instruments backed by the full
16 faith and credit of the United States Government. The Escrow Agent shall reinvest
17 the proceeds of these instruments as they mature in similar instruments at their then-
18 current market rates. Defendants shall not bear any responsibility for or liability
19 related to the investment of the Settlement Amount by the Escrow Agent.
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24 **i. Return of Funds in Certain Circumstances**

25 2.2 Plaintiffs agree that, prior to the Effective Date, the sum deposited into
26 the Settlement Fund shall be used solely to fund reasonable out-of-pocket costs and
27 expenses relating to the printing, mailing and publication of notices to Class
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1 Members as described in ¶ 2.5, below. In the event that this Settlement Agreement
2 is terminated prior to the occurrence of the Effective Date, the Escrow Agent shall
3 refund the remaining balance of the Settlement Fund, plus accrued interest to the
4 insurer who made the payment into the Settlement Fund.
5

6 All Notice related costs shall be paid out of the Settlement Fund as provided
7 in ¶ 2.5. In no event shall Plaintiffs, Lead Counsel, or the Class be liable to
8 Defendants for any sums used to fund such properly incurred out-of-pocket costs and
9 expenses.
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12 **ii. Handling and Disbursement of Funds by the Escrow Agent**

13 2.3 No monies will be disbursed from the Settlement Fund until after the
14 Effective Date except:
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16 (a) As provided in ¶ 2.6, as regards Taxes, and ¶ 7.1, as regards attorneys'
17 fees and expenses;

18 (b) To pay Taxes and Tax Expenses (as defined in ¶ 2.6(c)) on the income
19 earned by the Settlement Fund. Taxes and Tax Expenses shall be paid out of the
20 Settlement Fund, shall be considered to be a cost of administration of the Settlement,
21 and shall be timely paid by the Escrow Agent without prior order of the Court; and
22

23 (c) As provided in ¶ 2.5, as regards the Settlement Fund.
24

25 2.4 The Escrow Agent shall not disburse the Settlement Fund except as
26 provided in this Stipulation, by an order of the Court, or with the written agreement
27 of Defendants' Counsel and Lead Counsel.
28

1 2.5 Subject to further order and/or direction as may be made by the Court,
2 the Escrow Agent is authorized to execute such transactions on behalf of the Class as
3 are consistent with the terms of this Stipulation.
4

5 2.6 All funds held by the Escrow Agent shall be deemed and considered to
6 be in *custodia legis* of the Court, and shall remain subject to the jurisdiction of the
7 Court, until such time as such funds shall be distributed or returned to the parties who
8 deposited such funds pursuant to this Stipulation and/or further order(s) of the Court.
9

10 At any time after the Court enters the Order of Preliminary Approval, the
11 Escrow Agent may, without further approval from Defendants or the Court, pay from
12 the Settlement Fund the reasonable fees and expenses incurred by, and the reasonable
13 fees charged by, the Claims Administrator in connection with the administration and
14 notice of the settlement upon presentation of customary invoices therefor, which
15 invoices have been approved by Lead Counsel, including, without limitation: the cost
16 of identifying and locating members of the Class; mailing Notice and Proof of Claim
17 and publishing the Publication Notice (such amounts shall include, without
18 limitation, the actual costs of publication in national newswires, printing and mailing
19 the Notice, and reimbursement to nominee owners for forwarding notice to their
20 beneficial owners), soliciting Class claims, assisting with the filing of claims,
21 administering and distributing the Net Settlement Fund (as defined below) to
22 Authorized Claimants, processing Proof of Claim and Release forms, and paying
23 escrow fees and costs, if any, and the administrative expenses incurred and fees
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1 charged by the Claims Administrator in connection with providing notice and
2 processing the submitted claims (“Notice and Administration Costs”).
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4 **E. Taxes**

5 2.7

6 (a) The Parties and the Claims Administrator agree to treat the Settlement
7 Fund as a “qualified settlement fund” within the meaning of Treasury Regulation §
8 1.468B-1. In addition, the Claims Administrator shall timely make such elections as
9 necessary or advisable to carry out the provisions of this ¶ 2.6, including the “relation-
10 back election” (as defined in Treasury Regulation § 1.468B-1) back to the earliest
11 permitted date. Such elections shall be made in compliance with the procedures and
12 requirements contained in such regulations. It shall be the responsibility of the
13 Claims Administrator to timely and properly prepare and deliver the necessary
14 documentation for signature by all necessary parties, and thereafter to cause the
15 appropriate filing to occur.
16

17 (b) The Claims Administrator shall timely and properly file all
18 informational and other tax returns necessary or advisable with respect to the
19 Settlement Fund (including without limitation the returns described in Treasury
20 Regulation § 1.468B-2(k)). Such returns (as well as the election described in ¶ 2.6(a))
21 shall be consistent with this ¶ 2.6 and in all events shall reflect that all Taxes
22 (including any estimated Taxes, interest or penalties on the income earned) shall be
23 paid out of the Settlement Fund.
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1 (c) All Taxes (including any estimated Taxes, interest or penalties) arising
2 with respect to the income earned by the Settlement Fund, and expenses and costs
3 incurred in connection with the operation and implementation of this ¶ 2.6 (including,
4 without limitation, expenses of tax attorneys and/or accountants and mailing and
5 distribution costs and expenses or penalties relating to filing (or failing to file) the
6 returns described in this ¶ 2.6) (“Tax Expenses”), shall be paid out of the Settlement
7 Fund.
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10 (d) Defendants, Defendants’ Released Parties, Defendants’ Counsel,
11 Plaintiffs, Plaintiffs’ Released Parties and Lead Counsel shall have no liability or
12 responsibility for the Taxes or the Tax Expenses. Taxes and Tax Expenses shall be
13 treated as, and considered to be a cost of administration of the Settlement and shall
14 be timely paid by the Claims Administrator out of the Settlement Fund without prior
15 order from the Court.
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18 (e) The Claims Administrator shall indemnify and hold each of the
19 Defendants, Defendants’ Released Parties, Defendants’ Counsel, Plaintiffs,
20 Plaintiffs’ Released Parties and Lead Counsel harmless for Taxes and Tax Expenses
21 (including, without limitation, Taxes payable by reason of any such indemnification).
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24 (f) The Claims Administrator shall be obligated (notwithstanding anything
25 herein to the contrary) to withhold from distribution to Authorized Claimants any
26 funds necessary to pay such amounts, including the establishment of adequate
27 reserves for any Taxes and Tax Expenses (as well as any amounts that may be
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1 required to be withheld under Treasury Regulation § 1.468B-2(1)(2)). Neither
2 Defendants, Defendants' Counsel, Plaintiffs, nor Lead Counsel are responsible
3 therefor, nor shall they have any liability with respect thereto.
4

5 (g) The Parties agree to cooperate with the Claims Administrator, each
6 other, and their tax attorneys and accountants to the extent reasonably necessary to
7 carry out the provisions of this ¶ 2.6. Defendants' Counsel agree to promptly provide
8 the Escrow Agent with the statement described in Treasury Regulation § 1.468B-
9 3(e).
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12 **F. Termination of Settlement**

13 2.8 Defendants shall, acting collectively, have the right to terminate the
14 Settlement and this Stipulation, by providing written notice of their election to do so
15 to all other Parties within five (5) days of: (a) the Court's denial of Plaintiffs' motion
16 for preliminary approval of the Settlement in any material respect without leave to
17 amend and resubmit; (b) the Court's refusal to approve this Stipulation or any
18 material part of it without leave to amend and resubmit; (c) the Court's declining to
19 enter an Order and Final Judgment in any material respect without leave to amend
20 and resubmit; or (d) the date upon which the Order and Final Judgment is modified
21 or reversed in any material respect by a United States Court of Appeals or the United
22 States Supreme Court. Any decision with respect to any Fee and Expense
23 Application (defined below), or with respect to any Plan of Allocation, shall not be
24 considered material to this Stipulation and shall not be grounds for termination. In
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1 the event that this Stipulation is terminated, the Settlement Amount including any
2 interest accrued thereon, less expenses actually incurred or due and owing from the
3 Settlement Fund for the Notice and Administration Costs of Settlement pursuant to ¶
4 2.5 above, shall be refunded by the Escrow Agent to Defendants and the insurers, in
5 proportion to their contribution to the Settlement Fund, plus accrued interest
6 attributable to that amount by check or wire transfer pursuant to written instructions
7 from the insurers. Plaintiffs shall have the right to terminate the Settlement and this
8 Stipulation, by providing written notice of his or its or their election to do so to all
9 other Parties within five (5) days of: (a) the Court's denial of Plaintiffs' motion for
10 preliminary approval of the Settlement in any material respect as to the Defendants
11 without leave to amend and resubmit; (b) the Court's refusal to approve this
12 Stipulation or any material part of it without leave to amend and resubmit; (c) the
13 Court's declining to enter an Order and Final Judgment in any material respect as to
14 the Defendants without leave to amend and resubmit; (d) the Defendants' failure to
15 timely make full payment of the Settlement Amount into the Escrow Account; or (e)
16 the date upon which the Order and Final Judgment is modified or reversed in any
17 material respect by the Court of Appeals or the Supreme Court. Any decision with
18 respect to any Fee and Expense Application, or with respect to any Plan of Allocation,
19 shall not be considered material to this Stipulation and shall not be grounds for
20 termination.
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1 2.9 If, prior to the Final Approval Hearing, any persons who otherwise
2 would be members of the Class have timely filed for exclusion from the Class in
3 accordance with the provisions of the Order for Preliminary Approval and the notice
4 given pursuant thereto (see ¶ 4.9 below), and such persons in the aggregate purchased
5 a number of shares of Common Stock during the Class Period in an amount greater
6 than the sum specified in a separate “Supplemental Agreement” between the Parties,
7 Defendants, in their sole discretion, shall have the option to terminate this Stipulation
8 in accordance with the procedures set forth in the Supplemental Agreement. The
9 Supplemental Agreement shall not be filed with the Court and its terms shall not be
10 disclosed in any other manner (other than the statements herein and in the Notice, to
11 the extent necessary, or as otherwise provided in the Supplemental Agreement)
12 unless and until a dispute among the Parties concerning its interpretation or
13 application arises. If submission of the Supplemental Agreement is required for
14 resolution of a dispute or is otherwise ordered by the Court, the Parties will undertake
15 to have the Supplemental Agreement submitted to the Court *in camera*. Copies of
16 all requests for exclusion received and copies of all written revocations of requests
17 for exclusion received shall be sent to counsel for the Parties within a reasonable time
18 of receipt by the Claims Administrator, and in any event not less than seven (7) days
19 prior to the Final Approval Hearing.
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26 2.10 If: (i) Defendants exercise their right to terminate the Settlement as
27 provided in this Stipulation; (ii) Plaintiffs exercise their right to terminate this
28

1 Settlement as provided in this Stipulation; (iii) the Court disapproves the Settlement
2 as to the Defendants; or (iv) the Effective Date as to the Settlement otherwise fails to
3 occur with respect to the Defendants, then:
4

5 (a) The Settlement and the relevant portions of this Stipulation shall be
6 canceled and terminated without prejudice with respect to the Parties to whom the
7 termination of the Settlement applies and only those Parties, and this Stipulation shall
8 be null and void and shall have no further force or effect with respect to those Parties
9 and only those Parties;
10

11 (b) The Parties to whom the termination of Settlement applies and only
12 those Parties shall revert to their respective positions in the Action immediately
13 before the execution of this Stipulation.
14

15
16 **G. Confirmatory Discovery**

17 2.11 Defendants have agreed to provide Lead Counsel within ten (10)
18 calendar days after the Court's entry of an order preliminarily approving settlement,
19 with appropriate confirmatory discovery with respect to the factual and legal issues
20 in the Litigation, and the fairness and reasonableness of the Settlement terms.
21

22 **H. Class Certification**

23 3.0 The Parties hereby stipulate to certification of the Class, pursuant to
24 Rule 23(b)(3) of the Federal Rules of Civil Procedure, solely for purposes of this
25 Settlement. The certification of the Class shall be binding only with respect to the
26 Settlement and only if the Judgment becomes Final.
27
28

1 **I. Preliminary Approval Order**

2 4.0 Promptly after execution of this Stipulation, Lead Counsel shall submit
3
4 this Stipulation together with its Exhibits to the Court and shall request entry of an
5 Order of Preliminary Approval (substantially in the form of Exhibit A) that will, *inter*
6 *alia*, grant preliminary approval to the Settlement; certify the Class for settlement
7 purposes only; and authorize notification of the Settlement Class substantially in the
8 form of Exhibits A-1 and A-3 hereto, along with a Proof of Claim Form substantially
9 in the form of Exhibit A-2.
10

11 The Notice shall describe the Settlement; the proposed Plan of Allocation; the
12 requests for awards of Attorney Fees and Expenses and Lead Plaintiff Compensatory
13 Awards (consistent with ¶¶ 7.0 and 7.5); the date of the Final Approval Hearing;
14 Class Members' rights to opt out, object or otherwise be heard with regard to these
15 matters; and Class Members' opportunity to file claims upon the Settlement Fund.
16
17

18 No later than seven (7) calendar days after execution of this Stipulation,
19 Defendants shall cause IZEA to provide, at its expense, and at no cost to Plaintiffs,
20 and to the extent possible, the names and last known addresses of registered holders
21 of its stock as of the first date of the Settlement Class Period, and on the last date of
22 the Settlement Class Period as set forth in the records of its transfer agent
23 ("Settlement Class Information"). The Settlement Class Information shall be in
24 electronic searchable form, such as Excel, containing the Settlement Class
25 Information. The Parties acknowledge that any information provided to Lead
26
27
28

1 Counsel by Defendants pursuant to this Paragraph shall be treated as confidential and
2 will be used by Lead Counsel solely to deliver Notice of the Settlement. Defendants
3 make no representation as to the accuracy of the Settlement Class Information.
4

5 The Stipulation of Settlement, Notice, Proof of Claim Form, and all papers
6 submitted in support thereof shall be posted on a website to be maintained by the
7
8 Claims Administrator.

9 **J. The Final Approval Hearing/Objections**

10 4.1 Following provision of Notice to the Class Members, the Court shall
11 hold a hearing (the “Final Approval Hearing”) to consider whether to approve the
12 Settlement; approve the Plan of Allocation; and to award attorneys’ fees and expenses
13 and Lead Plaintiff Compensatory Awards.
14

15 4.2 Lead Counsel shall submit papers in support of the foregoing matters no
16 later than thirty (30) calendar days prior to the Final Approval Hearing.
17

18 4.3 Any Class Member who wishes to object to the fairness, reasonableness
19 or adequacy of the matters set forth in ¶¶ 2.0-7.5 must comply with the requirements
20 set forth in the Order for Preliminary Approval, Exhibit A, hereto.
21

22 4.4 Any objector shall be subject to the jurisdiction of the Court and may be
23 deposed by Lead Counsel.
24

25 4.5 All papers in opposition to any objections and/or in further support of
26 the foregoing matters shall be filed by the Parties by that time as well.
27
28

1 4.6 At the Final Approval Hearing, Parties shall request that the Court enter
2 a Judgment substantially in the form attached to this Stipulation as Exhibit B.
3

4 **K. Requests for Exclusion**

5 4.7 Any Person falling within the definition of the Class may be excluded
6 from the Class by submitting to the Claims Administrator a request for exclusion
7 (“Request for Exclusion”), which complies with the requirements set forth in the
8 Order for Preliminary Approval, Exhibit A hereto, and is postmarked no later than
9 the Court-ordered date. All Persons who submit valid and timely Requests for
10 Exclusion shall have no rights under the Stipulation, shall not share in the distribution
11 of the Net Settlement Fund (defined below), and shall not be bound by the Stipulation
12 or the Judgment. However, a Class Member may submit a written revocation of a
13 Request for Exclusion up until five (5) days prior to the date of the Final Approval
14 Hearing and receive payments pursuant to this Stipulation and Settlement provided
15 the Class Member also submits a valid Proof of Claim, as set forth in ¶ 6.3(i), below,
16 prior to the Bar Date.
17
18
19
20

21 **L. Releases**

22 5.0 The obligations incurred pursuant to this Stipulation shall be a full and
23 final disposition of the Action, any and all Released Plaintiffs’ Claims, and any and
24 all Defendants’ Released Claims, as against all Released Parties.
25

26 5.1 Upon the Effective Date, Plaintiffs and the Class Members, on behalf of
27 themselves and Plaintiffs’ Released Parties, shall be deemed to have, and by
28

1 operation of the Judgment have, fully, finally, and forever released, relinquished and
2 discharged all Released Plaintiffs' Claims against Defendants, and each of them, and
3 any and all of Defendants' Released Parties, whether or not any individual Class
4 Member executes and delivers the Proof of Claim.
5

6 5.2 Upon the Effective Date, Defendants shall be deemed to have, and by
7 operation of the Judgment shall have, fully, finally, and forever released, relinquished
8 and discharged their Defendants' Released Claims against Plaintiffs and any and all
9 of Plaintiffs' Released Parties including, but not limited to, Lead Counsel.
10

11
12 **M. Proof of Claims**

13 5.3 Only those Class Members filing valid and timely Proof of Claim and
14 Release forms shall be entitled to participate in the Settlement and receive a
15 distribution from the Settlement Fund. The Proof of Claim and Release to be
16 executed by Class Members shall release all Released Plaintiffs' Claims against the
17 Released Parties, and shall be substantially in the form contained in Exhibit A-2
18 attached hereto.
19
20

21 All Class Members not submitting valid and timely requests for exclusion shall
22 be bound by the Releases, whether or not they submit a valid and timely Proof of
23 Claim and Release.
24

25 **N. Administration and Calculation of Claims, Final Awards, And**
26 **Supervision and Distribution of the Settlement Fund**
27
28

1 6.0 The Claims Administrator shall administer and calculate the claims
2 submitted by Class Members and shall oversee distribution of the Net Settlement
3 Fund (defined below) to Authorized Claimants. The distribution checks will be
4 drawn upon the Settlement Fund.
5

6 6.1 Defendants shall have no responsibility or liability for the allocation of
7 the Settlement Fund among the Class Members or the allocation of any awards of
8 Plaintiffs' attorneys' fees, costs and expenses. Any such awards shall be paid solely
9 by the Settlement Fund.
10

11 6.2 The Settlement Fund shall be applied as follows:
12

13 (i) To pay the Taxes and Tax Expenses described in ¶ 2.6 above;
14

15 (ii) To pay all the costs and expenses reasonably and actually
16 incurred in connection with settlement administration, including, but not limited to,
17 locating members of the Class, providing Notice, soliciting Class claims, assisting
18 with the filing of claims, processing Proof of Claim forms, making administrative
19 determinations concerning the acceptance or rejection of submitted claims,
20 administering and distributing the Settlement Fund to Authorized Claimants, paying
21 escrow fees and costs, if any, and paying the fees and expenses of the Claims
22 Administrator;
23

24 (iii) To pay Lead Counsel's attorneys' fees and expenses, as provided
25 in ¶ 7.1 (the "Fee and Expense Award"), to the extent allowed by the Court;
26
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28

1 (iv) To pay the Lead Plaintiff Compensatory Award as provided in ¶
2 7.5, to the extent allowed by the Court;

3
4 (v) To pay the Claims Administrator's fees and expenses reasonably
5 incurred in the claims administration of the Settlement; and

6 (vi) Upon court approval, to distribute the balance of the Settlement
7 Fund, that is, the total Settlement Fund less the items set forth in ¶¶ 6.2(i), (ii), (iii),
8 (iv) and (v) (the "Net Settlement Fund"), to the Authorized Claimants as allowed by
9 this Stipulation, the Plan of Allocation, or the Court.
10

11
12 6.3 Upon the entry of the Judgment and thereafter, subject to ¶ 2.3 and in
13 accordance with the terms of the Plan of Allocation, or such further approval and
14 further order(s) of the Court as may be necessary or as circumstances may require,
15 the Net Settlement Fund shall be distributed to Authorized Claimants subject to and
16 in accordance with the following:
17

18 (i) Each Class Member claiming to be an Authorized Claimant shall
19 be required to submit to the Claims Administrator a completed Proof of Claim,
20 substantially in the form of Exhibit A-2 hereto, signed under penalty of perjury and
21 supported by such documents as specified in the Proof of Claim or such other
22 documents or proof, as are reasonably available to the Authorized Claimant, as Lead
23 Counsel, in their discretion, may deem acceptable;
24
25

26 (ii) Except as otherwise ordered by the Court, all Class Members who
27 fail to timely submit a Proof of Claim, or otherwise allowed, or who file a Proof of
28

1 Claim that is rejected, shall be forever barred from receiving any payments pursuant
2 to this Stipulation and Settlement, but will in all other respects be subject to and
3 bound by the provisions of this Stipulation, the releases contained herein, and the
4 Judgment and will be barred and enjoined from bringing any action against the
5 Released Parties concerning the Settled Claims.
6

7
8 6.4 No Person shall have any claim against Plaintiffs, Lead Counsel,
9 Defendants, Defendants' Counsel, the Claims Administrator, the Escrow Agent or
10 any other agent designated by Lead Counsel based on distribution determinations or
11 claim rejections made substantially in accordance with this Stipulation and the
12 Settlement contained therein, the Plan of Allocation, or further orders of the Court.
13

14 6.5 The Net Settlement Fund shall be distributed to the Authorized
15 Claimants substantially in accordance with a Plan of Allocation to be described in
16 the Notice and approved by the Court. However, if there is any balance remaining
17 in the Net Settlement Fund after six (6) months from the date of distribution of the
18 Net Settlement Fund (whether by reason of tax refunds, uncashed checks or
19 otherwise), the Claims Administrator under the supervision of Lead Counsel shall, if
20 feasible, reallocate such balance among Authorized Claimants in an equitable and
21 economic fashion. Thereafter, any balance that still remains in the Net Settlement
22 Fund shall be donated to such non-sectarian and not-for-profit charity chosen by Lead
23 Counsel, with approval of the Court.
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1 This is not a claims-made settlement and, if all conditions of the Stipulation
2 are satisfied and the Settlement becomes Final, no portion of the Settlement Fund
3 will be returned to the Defendants or their insurance carriers.
4

5 Defendants and Defendants' Released Parties shall have no responsibility for,
6 interest in, or liability whatsoever with respect to the distribution of the Net
7 Settlement Fund, the Plan of Allocation, the determination, administration, or
8 calculation of claims, the payment or withholding of Taxes or Tax Expenses, or any
9 losses incurred in connection therewith.
10

11
12 6.6 It is understood and agreed by the Parties that any proposed Plan of
13 Allocation of the Net Settlement Fund including, but not limited to, any adjustments
14 to an Authorized Claimant's claim set forth therein, is not a part of this Stipulation
15 and is to be considered by the Court separately from the Court's consideration of the
16 fairness, reasonableness and adequacy of the Settlement set forth in this Stipulation,
17 and any order or proceedings relating to the Plan of Allocation shall not operate to
18 terminate or cancel this Stipulation or affect the finality of the Court's Judgment
19 approving this Stipulation and the Settlement set forth therein, or any other orders
20 entered pursuant to this Stipulation.
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1 **O. Attorneys' Fees and Expenses**

2 7.0 Lead Counsel may submit an application or applications, the Fee and
3 Expense Application, for payments to Lead Counsel from the Settlement Fund for:
4 (a) an award of attorneys' fees; plus (b) reimbursement of actual costs and expenses,
5 including experts or consultants, incurred in connection with prosecuting the Action
6 as may be awarded by the Court. Lead Counsel reserves the right to make additional
7 applications for fees and expenses incurred, if necessary.
8

9
10 7.1 The attorneys' fees and expenses, including the fees and expenses of
11 experts and consultants, as awarded by the Court, shall be paid to Lead Counsel from
12 the Settlement Fund within three (3) Business Days after the Court executes an order
13 awarding such fees and expenses.
14

15 Lead Counsel agrees to refund to the Settlement Fund any award of attorney's
16 fees and expenses by the Court paid to Lead Counsel in the event the Court's award
17 of attorney's fees and expenses is reduced or reversed on appeal (the "Fee Award").
18 Payment of some or all of the Fee Award shall be made by Lead Counsel into the
19 Settlement Fund within fifteen (15) business days of a Final order by the Court of
20 Appeals or the Supreme Court directing such reduction or reversal, and shall be
21 distributed by the Escrow Agent to the Class pursuant to the manner directed in the
22 Final order.
23
24
25

26 Lead Counsel further agrees to refund to the Settlement Fund any award of
27 attorney's fees and expenses by the Court paid to Lead Counsel in the event that this
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1 Settlement does not become Final; in such situation, payment of all of the Fee Award
2 shall be made by Lead Counsel into the Settlement Fund within fifteen (15) days
3 thereof, and shall thereafter be distributed by the Escrow Agent pursuant to the terms
4 of ¶ 8.3.
5

6 7.2 The procedure for and allowance or disallowance by the Court of any
7 application by Lead Counsel for attorneys' fees and expenses, including the fees and
8 expenses of experts and consultants, to be paid out of the Settlement Fund, are not
9 part of the Settlement set forth in this Stipulation and are to be considered by the
10 Court separately from the Court's consideration of the fairness, reasonableness and
11 adequacy of the Settlement set forth in this Stipulation, and any order or proceedings
12 relating to the Fee and Expense Application, or any appeal from any order relating
13 thereto or reversal or modification thereof, shall not operate to modify, terminate or
14 cancel this Stipulation, or affect or delay the finality of the Judgment approving this
15 Stipulation and the Settlement of the Action.
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20 7.3 Defendants and Defendants' Released Parties shall have no
21 responsibility for, and no liability whatsoever with respect to, any payment to Lead
22 Counsel or any other Plaintiffs' Counsel and/or any other Person who receives
23 payment from the Settlement Fund, or repayment by Lead Counsel of any amounts
24 required to be repaid under this Stipulation.
25

26 7.4 Defendants and Defendants' Released Parties shall have no
27 responsibility for, and no liability whatsoever with respect to, the allocation among
28

1 Lead Counsel and/or any other Person who may assert some claim thereto, of any
2 Fee and Expense Award that the Court may make in the Action.
3

4 **P. Lead Plaintiff Compensatory Award**

5 7.5 Lead Counsel may submit an application to the Court to authorize the
6 payment of the Lead Plaintiff Compensatory Award from the Settlement Fund for
7 the time and expenses expended by Plaintiffs in assisting Lead Counsel in the
8 litigation of this Action, including their depositions. Payment for the Lead Plaintiff
9 Compensatory Award shall be payable in cash shall be payable from the Settlement
10 Fund.
11
12

13 **Q. Effect of Disapproval, Cancellation or Termination**

14 8.0 The Effective Date of the Stipulation shall be conditioned upon the
15 occurrence of all of the following events:
16

17 (a) Defendants have caused the contributions to be made to the Settlement
18 Fund, as required by ¶ 2.0 above;

19 (b) the Court has entered the Judgment, or a judgment substantially in the
20 form of Exhibit B attached hereto; and
21

22 (c) the Judgment has become Final, as defined in ¶ 1.18 hereof.
23

24 Any appeal or delay in (a) the approval of the Plan of Allocation, (b) the
25 determination of any award of attorneys' fees and expenses, or (c) the granting of a
26 Lead Plaintiff Compensatory Award, shall not affect, alter, or delay the occurrence
27 of the Effective Date.
28

1 8.1 Upon the occurrence of the Effective Date, any and all interest or right
2 of Defendants in or to the Settlement Fund, if any, shall be absolutely and forever
3 extinguished, except as set forth in this Stipulation. The Settlement Fund shall be
4 distributed in accordance with ¶ 6.2 hereof.
5

6 8.2 In the event that this Stipulation is not approved by the Court, or the
7 Effective Date does not occur, then this Stipulation shall be canceled and terminated
8 subject to ¶ 8.3 unless Lead Counsel and Defendants' Counsel mutually agree in
9 writing to proceed with this Stipulation. None of the Parties, or any of them, shall
10 have any obligation whatsoever to proceed under any terms other than provided for
11 and agreed herein. Without limitation of any Party's other rights or remedies at law
12 or in equity to enforce its rights against any other Party that breaches its obligations
13 under this Stipulation, no breach by any Party of its obligations under this Stipulation
14 shall permit any other Party to terminate this Stipulation or, after the Effective Date,
15 affect or impair the disposition of the Action or release of claims contemplated by ¶
16 5.1.
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21 8.3 Unless otherwise ordered by the Court, in the event the Stipulation is
22 terminated, or is canceled, or shall not become effective for any reason, within ten
23 (10) Business Days after written notification of such event is sent by Defendants'
24 Counsel or Lead Counsel to the Escrow Agent, subject to the terms of ¶ 2.9 hereof,
25 the Settlement Fund (including accrued interest), less any expenses and any costs
26 which have either been properly disbursed pursuant to ¶¶ 2.3-2.6 hereof, or are
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1 determined to be chargeable to the Settlement Fund or the notice and administration
2 of the Settlement pursuant to ¶ 2.5 hereof, shall be refunded by the Escrow Agent to
3 Defendants and the insurers, as appropriate, in proportion to their contribution to the
4 Settlement Fund, plus accrued interest attributable to that amount by check or wire
5 transfer pursuant to written instructions from the insurers; provided, however, that in
6 the event that the accrued interest and earnings of the Settlement Fund are not
7 sufficient to cover the expenses paid or due to be paid from the Settlement Fund, any
8 such expenses that Lead Counsel account for as reasonably and properly incurred in
9 connection with the cost of giving notice of the Settlement and the administration of
10 the Settlement prior to the termination or cancellation of the Settlement in accordance
11 with the terms of this Stipulation, and any such expenses consisting of Tax Expenses,
12 shall not be returned. At the request of the Defendants and the insurers, the Escrow
13 Agent or its designee shall apply for any tax refund owed to the Settlement Fund and
14 pay the proceeds, after deduction of any fees or expenses reasonably incurred in
15 connection with such application(s) for refund, to the insurers.

21 8.4 In the event the Stipulation is not approved by the Court or the
22 Settlement set forth in the Stipulation is terminated or fails to become effective in
23 accordance with its terms, the Settling Parties shall be restored to their respective
24 positions in the Action immediately prior to the execution of this Stipulation. In such
25 event, the terms and provisions of the Stipulation, with the exception of ¶¶ 1.0-1.37,
26 2.2, 2.9 and 8.2-8.5 hereof, shall have no further force and effect and shall not be
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1 used in this Action or in any other proceeding for any purpose, and any judgment or
2 order entered by the Court in accordance with the terms of this Stipulation shall be
3 treated as vacated, *nunc pro tunc*. No order of the Court or modification or reversal
4 on appeal of any order of the Court concerning the Plan of Allocation or the amount
5 of any attorneys' fees, costs, expenses and interest awarded by the Court to Lead
6 Counsel shall constitute grounds for cancellation or termination of the Stipulation.
7
8

9 8.5 If the Effective Date does not occur, neither Plaintiffs nor Lead Counsel
10 shall have any obligation to repay any amounts actually and properly disbursed from
11 the Settlement Fund. In addition, any expenses already incurred and properly
12 chargeable to the Settlement Fund pursuant to this Stipulation at the time of such
13 termination or cancellation, but which have not been paid, shall be paid by the Escrow
14 Agent in accordance with the terms of the Stipulation prior to the balance being
15 refunded in accordance with ¶ 8.3.
16
17

18 **R. Miscellaneous Provisions**

19 9.0 This Stipulation, and all related documents, shall not be construed as or
20 deemed to be evidence of (i) any presumption, an admission or concession on the
21 part of any Defendant, or any of Defendants' Released Parties (as defined in
22 ¶ 1.30(i)), with respect to any claim of any fact alleged by Plaintiffs or any member
23 of the Class, the validity of any claim that was or could have been asserted by
24 Plaintiffs or any member of the Class, or any deficiency or any defense that has been
25 asserted by Plaintiffs or any member of the Class, or any deficiency or any defense that has been
26 asserted by Plaintiffs or any member of the Class, or any deficiency or any defense that has been
27 asserted by Plaintiffs or any member of the Class, or any deficiency or any defense that has been
28 asserted by Plaintiffs or any member of the Class, or any deficiency or any defense that has been
or could have been asserted by the Defendants in this Action or in any other litigation,

1 or (ii) any liability, negligence, fault, liability, wrongdoing, or damage whatsoever
2 and of any kind of any of the Defendants' Released Parties or in any way referred to
3 for any other reason as against any of the Defendants' Released Parties, in any civil,
4 criminal, or administrative action or proceeding, other than such proceeding. The
5 Parties, and each of them, shall not assert or pursue any action, claim or rights that
6 any party hereto violated any provision of Rule 11 of the Federal Rules of Civil
7 Procedure. Further, the Parties, and each of them, will not deny in any statement
8 made to any media representative that the Action is being settled voluntarily after
9 consultation with competent counsel. The Parties, and each of them, and their
10 respective counsel agree that the Action was resolved in good faith, following arm's
11 length bargaining.
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15

16 9.1 The Parties: (a) acknowledge that it is their intent to consummate this
17 agreement; and (b) agree, subject to their fiduciary and other legal obligations, to
18 cooperate to the extent reasonably necessary to effectuate and implement all terms
19 and conditions of this Stipulation and to exercise their reasonable best efforts to
20 accomplish the foregoing terms and conditions of this Stipulation. Lead Counsel and
21 Defendants' Counsel agree to cooperate with one another in seeking Court approval
22 of the Order for Notice and Hearing, the Stipulation and the Settlement, and to
23 promptly agree upon and execute all such other documentation as may be reasonably
24 required to obtain final approval of the Settlement.
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1 9.2 The Parties intend this Stipulation to be a final and complete resolution
2 of all disputes between them with respect to the Action as well as any disputes which
3 could have been raised in the Action by Plaintiffs, the Class, and Plaintiffs' Released
4 Parties, and each or any of them, against Defendants and Defendants' Released
5 Parties, Defendants' Counsel, and each or any of them, on the one hand, and by
6 Defendants, and each or any of them, against Plaintiffs the Class, Plaintiffs' Released
7 Parties, Lead Counsel, and each or any of them, on the other hand. Additionally, as
8 among and between Defendants, and each or any of them, Defendants intend this
9 Stipulation to be a final and complete resolution of all disputes between them with
10 respect to the Action. Accordingly, the Parties agree not to assert in any forum or, in
11 any statement made to any media representative (whether or not for attribution), that
12 the Action was brought by Plaintiffs or defended by any of the Defendants, or each
13 or any of them, in bad faith or without a reasonable basis. The Judgment will contain
14 a statement that during the course of the Action, the parties and their respective
15 counsel at all times complied with the requirements of Rule 11 of the Federal Rules
16 of Civil Procedure. The Parties further agree that the amount paid to the Settlement
17 Fund and the other terms of the Settlement were negotiated at arm's length and in
18 good faith by the Parties, and reflect a settlement that was reached voluntarily after
19 consultation with competent legal counsel.
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1 9.3 Except as otherwise provided herein, all agreements made and orders
2 entered during the course of the Action relating to the confidentiality of information
3 shall survive this Stipulation.
4

5 9.4 The discussions and negotiations held during the Parties' mediation
6 session shall remain confidential after this Stipulation is filed with the Court.
7

8 Whether or not the Effective Date occurs or this Stipulation is terminated,
9 neither this Stipulation nor the Settlement contained herein, nor any act performed or
10 document executed pursuant to or in furtherance of this Stipulation or the Settlement:
11

12 (i) may be deemed, or shall be used, offered or received against Defendants
13 or Defendants' Released Parties, or each or any of them, as an admission, concession
14 or evidence of the validity of any Released Plaintiffs' Claims, the truth of any fact
15 alleged by Plaintiffs, the deficiency of any defense that has been or could have been
16 asserted in the litigation, or of any alleged wrongdoing, liability, negligence, or fault
17 of the Defendants and Defendants' Released Parties, or any of them;
18

19 (ii) may be deemed, or shall be used, offered or received against Plaintiffs,
20 the Class, Plaintiffs' Released Parties, or each or any of them, as an admission,
21 concession or evidence of, the validity or invalidity of any of Defendants' Released
22 Claims, the infirmity or strength of any claims raised in the Action, the truth or falsity
23 of any fact alleged by Defendants, or the availability or lack of availability of
24 meritorious defenses to the claims raised in the Action;
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1 If this Stipulation is approved by the Court, any party or any of the Released
2 Parties may file this Stipulation and/or Judgment in any action that may be brought
3 against such party or parties in order to support a defense or counterclaim based on
4 principles of *res judicata*, collateral estoppel, release, good faith settlement,
5 judgment bar or reduction or any other theory of claim preclusion or issue preclusion
6 or similar defense or counterclaim;
7

8
9 9.5 The headings used herein are used for the purpose of convenience only
10 and are not meant to have legal effect.
11

12 9.6 The waiver by one party of any breach of this Stipulation by any other
13 party hereto shall not be deemed as a waiver of any other prior or subsequent breaches
14 of this Stipulation.
15

16 9.7 All of the Exhibits to this Stipulation are material and integral parts
17 hereof and are fully incorporated herein by this reference.
18

19 9.8 This Stipulation may be amended or modified only by a written
20 instrument signed by or on behalf of all Parties or their respective successors-in-
21 interest.
22

23 9.9 This Stipulation and the Exhibits attached hereto constitute the entire
24 agreement among the parties hereto and no representations, warranties or
25 inducements have been made to any party concerning this Stipulation or its Exhibits
26 other than the representations, warranties and covenants contained and memorialized
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1 in such documents. Except as otherwise provided herein, each party shall bear its
2 own costs.

3
4 9.10 Each counsel or other Person executing this Stipulation, any of its
5 Exhibits, or any related settlement documents on behalf of any party hereto hereby
6 warrants and represents that such Person has the full authority to do so and that they
7 have the authority to take appropriate action required or permitted to be taken
8 pursuant to the Stipulation to effectuate its terms.

9
10 9.11 This Stipulation may be executed in one or more counterparts. All
11 executed counterparts and each of them shall be deemed to be one and the same
12 instrument provided that counsel for the parties to this Stipulation all exchange
13 original signed counterparts.

14
15
16 9.12 This Stipulation shall be binding upon, and inure to the benefit of, the
17 successors and assigns of the parties hereto and the Released Parties.

18
19 9.13 The Court shall retain jurisdiction with respect to implementation and
20 enforcement of the terms of this Stipulation, and all parties hereto submit to the
21 jurisdiction of the Court for purposes of implementing and enforcing the Settlement
22 embodied in this Stipulation.

23
24 9.14 This Stipulation and the Exhibits thereto shall be considered to have
25 been negotiated, executed and delivered, and to be wholly performed, in the State of
26 California and the rights and obligations of the parties to this Stipulation shall be
27 construed and enforced in accordance with, and governed by, the internal, substantive
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1 laws of the State of California without giving effect to that State's choice of law
2 principles.

3
4 9.15 This Stipulation is deemed to have been prepared by counsel for all
5 Parties, as a result of arm's length negotiations among the parties. Whereas all Parties
6 hereto have contributed substantially and materially to the preparation of this
7 Stipulation, it shall not be construed more strictly against one party than another.
8

9 9.16 Whenever this Stipulation requires or contemplates that a party shall or
10 may give notice to the other, notice shall be provided by electronic mail, or next-day
11 (excluding Saturday and Sunday) express delivery service as follows and shall be
12 deemed effective upon such transmission or delivery to the address set forth below:
13

14 If to Plaintiffs, then to:

15 William B. Federman
16 A. Brooke Murphy
17 FEDERMAN & SHERWOOD
18 10205 N. Pennsylvania Avenue
19 Oklahoma City, OK 73120
20 wbf@federmanlaw.com
21 abm@federmanlaw.com
22 (405) 235-1560/Fax: (405) 239-2112

23 Laurence M. Rosen
24 Phillip Kim
25 Joshua Baker
26 THE ROSEN LAW FIRM, P.A.
27 275 Madison Avenue, 34th Floor
28 New York, NY 10016
rosen@rosenlegal.com
pkim@rosenlegal.com
jbaker@rosenlegal.com

If to Defendants, then to:

Paul J. Walsen

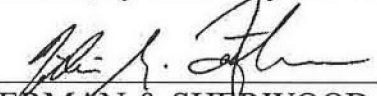
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Nicole C. Mueller
K&L GATES LLP
70 West Madison Street, Suite 3100
Chicago, IL 60602
paul.walsen@klgates.com
nicole.mueller@klgates.com
(312) 372-1121


9.19 All time periods set forth herein shall be computed in calendar days unless otherwise expressly provided. In computing any period of time prescribed or allowed by this Stipulation or by order of the Court, the day of the act, event, or default from which the designated period of time begins to run shall not be included.

9.20 The parties to this Stipulation reserve the right, subject to the Court's approval, to make any reasonable extensions of time that might be necessary to carry out any of the provisions of this Stipulation.

IN WITNESS WHEREOF, the parties hereto have caused this Stipulation to be executed, by their duly authorized attorneys, dated April 15, 2019.

By: 
FEDERMAN & SHERWOOD
William B. Federman
A. Brooke Murphy
10205 N. Pennsylvania Avenue
Oklahoma City, OK 73120
Telephone: (405) 235-1560
Facsimile: (405) 239-2112
wbf@federmanlaw.com
abm@federmanlaw.com

THE ROSEN LAW FIRM, P.A.
Laurence M. Rosen
Phillip Kim
Joshua Baker

By: 
K&L Gates LLP
Daniel J. Stephenson
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Nicole C. Mueller
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Counsel for Defendants

1 275 Madison Avenue, 34th Floor
2 New York, NY 10016
3 Telephone: (212) 686-1060
4 Facsimile: (212) 202-3827
5 lrosen@rosenlegal.com
6 pkim@rosenlegal.com
7 jbaker@rosenlegal.com

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Co-Lead Counsel for Plaintiffs

EXHIBIT A

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

JULIAN PEREZ, individually and on
behalf of all others similarly situated,

Plaintiffs,

v.

IZEA, INC., EDWARD MURPHY,
and LEANN C. HITCHCOCK.

Defendants.

Case No. 2:18-cv-02784-SVW-GJS

CLASS ACTION

**[PROPOSED] ORDER
PRELIMINARILY APPROVING
SETTLEMENT AND PROVIDING
FOR NOTICE AND HEARING**

WHEREAS, a consolidated class action, entitled *Perez v. IZEA, Inc. et al.*,
No. 2:18-cv-02784-SVW-GJS is pending before the Court (the “Action”);

WHEREAS, (i) Lead Plaintiffs Steven Highfill, Saverio La Francesca, and
Jasdeep Condle (“Plaintiffs”) and (ii) Defendants IZEA, Inc. (“IZEA”), Edward
Murphy, and LeAnn C. Hitchcock (“Defendants”) have entered into the Stipulation
of Settlement dated April 15, 2019 (the “Stipulation”), providing for the settlement

1 of the Action and release of all Released Claims and Released Defendants' Claims,
2 which include Unknown Claims, on the terms and conditions set forth in the
3
4 Stipulation, subject to approval of this Court (the "Settlement");

5 WHEREAS, the parties having made application, pursuant to Federal Rule of
6 Civil Procedure 23(e), for an order preliminarily approving the settlement of the
7
8 Action in accordance with the Stipulation which, together with the exhibits annexed
9 thereto, sets forth the terms and conditions for the proposed Settlement of the
10 Action and for dismissal of the Action with prejudice upon the terms and conditions
11 set forth therein; and the Court having read and considered the Stipulation and the
12 exhibits annexed thereto, and all other pleadings herein, and the parties to the
13 Stipulation having consented to entry of this Order; and
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16 WHEREAS, all capitalized terms used herein shall have the same meaning as
17 set forth in the Stipulation.

18 NOW, THEREFORE, IT IS HEREBY ORDERED:
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20 1. **Preliminary Approval of the Settlement.** The Court preliminarily
21 approves the Settlement, as embodied in the Stipulation, as being fair, reasonable
22 and adequate as to Class Members, subject to further consideration and final
23 approval at the Settlement Hearing to be conducted as described below.
24

25 2. **Certification of Settlement Class.** Pursuant to Rule 23 of the Federal
26 Rules of Civil Procedure, the Court certifies, for purposes of effectuating the
27 Settlement, the following Class: all persons and entities who purchased or
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1 otherwise acquired the common stock of IZEA during the period from May 15,
2 2015 through April 3, 2018, inclusive, and who were damaged thereby. Excluded
3 from the Class are Defendants, all current and former directors and officers of
4 IZEA during the Class Period, and any family member, trust, company, entity or
5 affiliate controlled or owned by any of the excluded persons and entities referenced
6 above. Also excluded from the Class are those Persons who timely and validly
7 request exclusion from the Class pursuant to the Notice of Pendency and Proposed
8 Settlement of Class Action and Settlement Hearing Thereon (the "Notice").
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12 3. With respect to the Class, the Court finds for purposes of effectuating
13 the Settlement that: (a) the number of Class Members is so numerous that joinder of
14 all members is impracticable; (b) there are questions of law and fact common to the
15 Class; (c) the claims of Plaintiffs/proposed class representatives are typical of the
16 claims of each Class; (d) Plaintiffs/proposed class representatives and Lead Counsel
17 have fairly and adequately represented and protected the interests of all Class
18 Members; (e) the questions of law and fact common to the Members of each Class
19 predominate over any questions affecting only individual members of the Class;
20 and (f) a class action is superior to other available methods for the fair and efficient
21 adjudication of the controversy, considering: (i) the interests of the Members of the
22 Class in individually controlling the prosecution of separate actions; (ii) the extent
23 and nature of any litigation concerning the controversy already commenced by
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1 Members of the Class; (iii) the desirability or undesirability of continuing the
2 Action in this forum.

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4 4. Pursuant to Rule 23 of the Federal Rules of Civil Procedure, and for
5 purposes of the Settlement only, Lead Plaintiffs are appointed as the Class
6 Representatives and Lead Counsel is appointed as Class Counsel.

7
8 5. **Settlement Hearing.** A hearing (the “Settlement Hearing”) shall be
9 held before this Court on _____, 201__, at ___ a.m., at Courtroom 10A
10 of the United States District Court, Central District of California, at 350 W. 1st
11 Street, Los Angeles, CA, 90012, to determine: (a) whether the proposed Settlement
12 of the Action on the terms and conditions provided for in the Stipulation is fair,
13 just, reasonable, and adequate to each of the Parties and the Class and should be
14 approved by the Court; (b) whether the Final Judgment and Order of Dismissal,
15 annexed as Exhibit B to the Stipulation, should be entered dismissing the Action
16 with prejudice against the Defendants; (c) whether the proposed Plan of Allocation
17 for the allocation of proceeds of the Settlement is fair and reasonable and should be
18 approved; (d) whether the Fee and Expense Application should be approved; and
19 (e) any other matters that may properly be brought before the Court in connection
20 with the Settlement. Notice of the Settlement and the Settlement Hearing shall be
21 given to Class Members as set forth in this Order.
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1 6. The Court may adjourn the Settlement Hearing and approve the
2 proposed Settlement with such modifications as the Parties may agree to, if
3 appropriate, without further notice to the Class.
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5 7. **Approval of Form and Content of Notice.** The Court approves, as to
6 form and content, the Notice, the Proof of Claim and Release (the “Proof of
7 Claim”), and the Summary Notice of Pendency and Proposed Settlement of Action
8 and Settlement Hearing Thereon (the “Publication Notice”) annexed as Exhibits
9 A-1, A-2, and A-3 hereto, respectively, and finds that mailing and distribution of
10 the Notice and Proof of Claim and the publication of the Publication Notice
11 substantially in the manner and form set forth in this Order: (i) is the best notice
12 practicable under the circumstances; (ii) constitutes notice that is reasonably
13 calculated, under the circumstances, to apprise the Class Members of the pendency
14 of the Action, the effect of the proposed Settlement (including the releases
15 contained therein), and of their right to object to the proposed Settlement, exclude
16 themselves from the Class, and appear at the Settlement Hearing; (iii) constitutes
17 due, adequate, and sufficient notice to all Persons entitled to receive notice of the
18 proposed Settlement; and (iv) satisfies the requirements of Rule 23 of the Federal
19 Rules of Civil Procedure, the United States Constitution (including the Due Process
20 Clause), the Private Securities Litigation Reform Act of 1995, 15 U.S.C. § 78u-
21 4(a)(7), and all other applicable laws and rules. The date and time of the Settlement
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1 Hearing shall be included in the Notice and Publication Notice before they are
2 mailed and published, respectively.

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4 **8. Retention of Claims Administrator and Manner of Notice.** Lead
5 Counsel is hereby authorized to retain KCC Class Action Services (the “Claims
6 Administrator”) to supervise and administer the notice procedure as well as the
7 processing of claims.
8

9 9. Not later than fourteen (14) calendar days after the date of entry of this
10 Order, the Claims Administrator, under the direction of Lead Counsel, shall cause a
11 copy of the Notice and the Proof of Claim (the “Claim Packet”), substantially in the
12 form annexed hereto as Exhibits A-1 and A-2, to be sent by first class mail to all
13 Members of the Class who can be identified from transfer records and from other
14 sources available to the Claims Administrator and Lead Counsel with reasonable
15 effort (the “Notice Date”).
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18 10. Not later than seven (7) calendar days after the Notice Date, Lead
19 Counsel shall cause the Publication Notice to be published once in the national
20 edition of the *Investor’s Business Daily* and transmitted over the national circuit of
21 *PR Newswire*.
22

23
24 11. At least seven (7) calendar days prior to the Settlement Hearing, Lead
25 Counsel shall serve on Defendants’ Counsel and file with the Court proof, by
26 affidavit or declaration, of such mailing and publishing.
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1 12. Additionally, notice of the Action and the proposed Settlement shall be
2 posted on the Claims Administrator's website.

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4 13. **Broker and Nominee Procedures.** Brokers and nominees who
5 purchased or held IZEA common stock during the Class Period for the benefit of
6 another Person shall send the Claim Packet to the beneficial owners of such IZEA
7 stock within ten (10) calendar days after receipt thereof, or send a list of the names
8 and addresses of such beneficial owners to the Claims Administrator within ten (10)
9 calendar days of receipt thereof in which event the Claims Administrator shall
10 promptly mail the Claim Packet to such beneficial owners. The Claims
11 Administrator shall provide nominees with additional copies of the Claim Packet
12 upon request. Nominees may seek reimbursement of their reasonable
13 administrative costs and expenses actually incurred in searching their records to
14 find the names and addresses of beneficial owners and for mailing the Claim Packet
15 by providing the Claims Administrator with proper documentation supporting the
16 expenses for which reimbursement is sought. Such properly documented expenses
17 incurred by nominees in compliance with the terms of this Order shall be paid from
18 the Settlement Fund in accordance with the provisions of the Stipulation.

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24 14. **Participation in the Settlement.** Members of the Class who wish to
25 participate in the Settlement and receive a distribution from the Net Settlement
26 Fund must complete and submit a Proof of Claim in accordance with the
27 instructions contained therein. Unless the Court orders otherwise, all Proofs of
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1 Claim must be submitted no later than ninety (90) calendar days after the Notice
2 Date. Each Proof of Claim shall be deemed to be submitted when posted, if
3 received with a postmark indicated on the envelope and if mailed by first-class mail
4 and addressed in accordance with the instructions thereon. In all other cases, the
5 Proof of Claim shall be deemed to have been submitted when it was actually
6 received by the Claims Administrator. Notwithstanding the foregoing, Lead
7 Counsel may, at its discretion, accept for processing late claims provided that such
8 acceptance does not delay the distribution of the Net Settlement Fund to the Class.
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12 15. The Proof of Claim submitted by each Class Member must satisfy the
13 following conditions: (i) it must be properly completed, signed, and submitted in a
14 timely manner in accordance with the provisions of the preceding subparagraph; (ii)
15 it must be accompanied by adequate supporting documentation for the transactions
16 reported therein, in the form of broker confirmation slips, broker account
17 statements, an authorized statement from the broker containing the transactional
18 information found in a broker confirmation slip, or such other documentation as is
19 deemed adequate by Lead Counsel and the Claims Administrator; (iii) if the person
20 executing the Proof of Claim is acting in a representative capacity, a certification of
21 his current authority to act on behalf of the Class Member must be included in the
22 Proof of Claim; and (iv) the Proof of Claim must be complete, and contain no
23 material deletions or modifications of any of the printed matter contained therein,
24 and must be signed under penalty of perjury.
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1 16. Any Class Member who does not submit a Proof of Claim within the
2 time provided or whose claim is not otherwise approved by the Court: (a) shall be
3 deemed to have waived his, her, its right to share in the Net Settlement Fund, shall
4 be barred from sharing in the distribution of the proceeds of the Net Settlement
5 Fund; (b) shall be bound by the provisions of the Stipulation and the Settlement and
6 all proceedings, determinations, orders, and judgments in the Action related thereto,
7 including, but not limited to, the Final Judgment and Order of Dismissal and the
8 releases provided therein, whether favorable or unfavorable to the Class, unless
9 otherwise ordered by the Court; and (c) will be fully and forever barred from
10 commencing, maintaining, or prosecuting any of the Released Claims against each
11 of the Defendants and their Released Parties as defined in the Stipulation.
12 Notwithstanding the foregoing, Lead Counsel may, in its discretion, accept late-
13 submitted claims for processing by the Claims Administrator so long as distribution
14 of the Net Settlement Fund is not materially delayed thereby.

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20 17. All members of the Class who do not submit a valid request for
21 exclusion in accordance with Paragraph 18 below shall be bound by all
22 determinations and judgments in the Action concerning the Settlement, whether
23 favorable or unfavorable to the Class.
24

25 18. **Exclusion From The Settlement Class.** Any Person falling within
26 the definition of the Class, may, upon request, be excluded from the Class. Any
27 such Person must submit to the Claims Administrator a “Request for Exclusion,”
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1 postmarked no later than twenty-one (21) calendar days prior to the Settlement
2 Hearing to the address specified in the Notice. A Request for Exclusion must be
3 signed by such person or his, her, or its authorized representative and shall state: (a)
4 the name, address, and telephone number of the Person requesting exclusion; (b)
5 the Person's purchases and sales of IZEA common stock, including the dates, the
6 number of shares, and price paid or received per share for each such purchase or
7 sale; and (c) that the Person wishes to be excluded from the Class. A Request for
8 Exclusion shall not be effective unless it provides all the required information,
9 including supporting documentation of the Person's purchases and sales of IZEA
10 common stock, and is received within the time stated above, or is otherwise
11 accepted by the Court. Any Class Member who fails to timely or properly opt-out,
12 or whose request to opt out is not otherwise accepted by the Court, shall be deemed
13 a Class Member, and shall be deemed by operation of law to have released all
14 Released Claims against Defendants and their Released Parties.
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20 19. Any Person who or which timely and validly requests exclusion in
21 compliance with the terms stated in this Order and is thereby excluded from the
22 Class shall not be a Class Member, shall not be bound by the terms of the
23 Settlement or any other orders or judgments in the Action, and shall have no right
24 to receive any payment from the Net Settlement Fund.
25

26 20. **Appearance and Objections.** Class Members may enter an
27 appearance in the Action, at their own expense, individually or through counsel of
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1 their own choice. If they do not enter an appearance, they will be represented by
2 Lead Counsel.

3
4 21. Attendance at the Settlement Hearing is not mandatory.

5 Notwithstanding, any Class Member may appear and show cause (if he, she or it
6 has any) at the Settlement Hearing in person or by counsel and be heard in support
7 of, or in opposition to, the fairness, reasonableness, and adequacy of the Settlement
8 and the Final Judgment and Order of Dismissal entered thereon, the Plan of
9 Allocation, or the Fee and Expense Application submitted by Lead Counsel.

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11 However, no Class Member or any other Person shall be heard or entitled to contest
12 the approval of the terms and conditions of the proposed Settlement, or, if
13 approved, the Final Judgment and Order of Dismissal to be entered thereon
14 approving the Settlement, the Plan of Allocation, or the attorneys' fees and
15 expenses to be awarded to Lead Counsel unless that Person has filed with the Court
16 and served on Lead Counsel and Defendants' Counsel written objections and copies
17 of any papers and briefs on or before twenty-one (21) calendar days prior to the
18 Settlement Hearing. Such an objection must be signed and include the name,
19 address, telephone number, the number of shares of IZEA common stock purchased
20 and sold, and the prices paid or received per share of stock for each purchase or sale
21 (including proof of all purchases and sales of IZEA common stock), and the reasons
22 for the objection. Any Class Member who does not make his, her or its objection in
23 the manner provided herein shall be deemed to have waived such objection and
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1 shall forever be foreclosed from making any objection to the fairness or adequacy
2 of the proposed Settlement as incorporated in the Stipulation, to the Final Judgment
3 and Order of Dismissal, to the Plan of Allocation, and/or to the award of attorneys'
4 fees and reimbursement of expenses to Plaintiffs' Counsel, unless otherwise
5 ordered by the Court.
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8 22. **Stay.** All proceedings relating to the Class in the Action, except as set
9 forth in the Stipulation, are stayed until further order of this Court. Pending the
10 final determination of the fairness, reasonableness, and adequacy of the proposed
11 Settlement, Plaintiffs and Members of the Class, either directly, representatively, or
12 in any other capacity, shall not institute, commence, or prosecute any other
13 proceedings, other than those incident to the Settlement itself, against Defendants
14 and any of the Released Parties in any action or proceeding in any court or tribunal.
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17 23. **Settlement Funds.** The passage of title and ownership of the
18 Settlement Fund to the Escrow Agent in accordance with the terms and obligations
19 of the Stipulation is approved. No Person that is not a member of the Class,
20 Plaintiffs, or Plaintiffs' Counsel shall have any right to any portion of, or in the
21 distribution of, the Settlement Fund unless otherwise ordered by the Court or
22 otherwise provided in the Stipulation.
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25 24. All funds held by the Escrow Agent shall be deemed and considered to
26 be *in custodia legis* of the Court, and shall remain subject to the jurisdiction of the
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1 Court, until such time as such funds shall be distributed pursuant to the Stipulation
2 and/or further order(s) of the Court.

3
4 **25. Settlement Administration Fees and Expenses.** All reasonable
5 expenses incurred in identifying and notifying members of the Class, as well as
6 administering the Settlement Fund, shall be paid as set forth in the Stipulation. In
7 the event the Settlement is not approved by the Court, or otherwise fails to become
8 effective, neither Plaintiffs nor any of Plaintiffs' Counsel shall have any obligation
9 to repay any amounts actually and properly disbursed from or chargeable to the
10 Settlement Fund in accordance with the Stipulation.

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13 **26. Taxes.** Lead Counsel is authorized and directed to prepare any tax
14 returns and any tax reporting form for or in respect of the Settlement Fund, to pay
15 from the Settlement Fund any Taxes owed with respect to the Settlement Fund, and
16 to otherwise perform all obligations with respect to Taxes and any reporting or
17 filings in respect thereof without further order of the Court in a manner consistent
18 with the provisions of the Stipulation.

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21 **27. Use of This Order.** Neither the Stipulation nor the Settlement set
22 forth therein, nor any of its terms or provisions, nor any of the negotiations or
23 proceedings connected with it: (a) shall be deemed to be, or shall be used as an
24 admission of any Defendant, any Released Party, or any other Person of the validity
25 of any Released Claims, or any wrongdoing by or liability of any Defendant or
26 Released Party; (b) shall be deemed to be, or shall be used as an admission of any
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1 fault or omission of any Defendant or any Released Party in any statement, release,
2 or written documents issued, filed, or made; (c) shall be offered or received in
3 evidence against any Defendant or Released Party in any civil, criminal, or
4 administrative action or proceeding in any court, administrative agency, or other
5 tribunal other than such proceedings as may be necessary to consummate or enforce
6 the Stipulation, the Settlement set forth therein, the releases provided pursuant
7 thereto, and/or the Final Judgment and Dismissal Order, except that the Stipulation
8 may be filed in the Action or in any subsequent action brought against any of the
9 Defendants, their insurers, and/or any of the Released Parties in order to support a
10 defense or counterclaim of any Defendant and/or any Released Party of *res*
11 *judicata*, collateral estoppel, release, good faith settlement, or any theory of claim
12 or issue preclusion or similar defense or counterclaim, including, without
13 limitation, specific performance of the Settlement embodied in the Stipulation as
14 injunctive relief; (d) shall be construed against the Defendants, Released Parties,
15 Plaintiffs, and Members of the Class as an admission or concession that the
16 consideration to be given hereunder represents the amount which could be or would
17 have been recovered after trial; and (e) shall be construed as or received in evidence
18 as an admission, concession, or presumption against Plaintiffs and Members of the
19 Class or any of them that any of their claims are without merit or that damages
20 recoverable in the Action would not have exceeded the Settlement Fund.
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1 28. **Termination.** If the Settlement is terminated, is not approved by this
2 Court, or the Effective Date does not occur, then this Order shall become null and
3 void, of no further force and effect, and shall be without prejudice to the rights of
4 the Plaintiffs, Class Members, and Defendants, all of whom shall be restored to
5 their respective positions with respect to the Action, as provided for in the
6 Stipulation.
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9 29. **Supporting Papers.** All papers in support of the Settlement, the Plan
10 of Allocation, and the application by Plaintiffs' Counsel for attorneys' fees and
11 reimbursement of expenses shall be filed and served no later than thirty (30)
12 calendar days prior to the Settlement Hearing; if reply papers are necessary, they
13 are to be filed and served no later than seven (7) calendar days prior to the
14 Settlement Hearing.
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17 30. **Retention of Jurisdiction.** The Court retains jurisdiction to consider
18 all further applications arising out of the proposed Settlement.
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20 Dated: _____, 201__

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Hon. Stephen V. Wilson
United States District Court Judge

EXHIBIT A-1

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

JULIAN PEREZ, individually and on behalf
of all others similarly situated,

Plaintiffs,

v.

IZEA, INC., EDWARD MURPHY, and
LEANN C. HITCHCOCK.

Defendants.

Case No. 2:18-cv-02784-SVW-GJS

**NOTICE OF PENDENCY AND PROPOSED SETTLEMENT OF CLASS ACTION
AND SETTLEMENT HEARING THEREON**

TO: ALL PERSONS WHO PURCHASED THE COMMON STOCK OF IZEA, INC. (“IZEA”) DURING THE PERIOD MAY 15, 2015 THROUGH APRIL 3, 2018, INCLUSIVE

A federal court authorized this Notice. This is not a solicitation from a lawyer.

PLEASE READ THIS NOTICE CAREFULLY AND IN ITS ENTIRETY. YOUR RIGHTS MAY BE AFFECTED BY PROCEEDINGS IN THIS LITIGATION. PLEASE NOTE THAT IF YOU ARE A SETTLEMENT CLASS MEMBER, YOU MAY BE ENTITLED TO SHARE IN THE PROCEEDS OF THE PROPOSED SETTLEMENT DESCRIBED IN THIS NOTICE. TO CLAIM YOUR SHARE OF THIS FUND, YOU MUST SUBMIT A VALID PROOF OF CLAIM POSTMARKED ON OR BEFORE _____, 201_.

- **Security and Time Period:** IZEA common stock purchased during the period May 15, 2015 through April 3, 2018 inclusive (the “Settlement Class Period”).¹
- **Settlement Fund:** \$1,200,000.00 in cash, plus all interest or income earned thereon. Your recovery will depend on the amount of IZEA common stock you purchased, the timing of your purchases and sales, if any, and the number of eligible shares that participate in the Settlement and when those shares were purchased and sold, if at all. Based on the information currently available to Plaintiffs and the analysis performed by their damages consultant, it is estimated that if Settlement Class Members submit claims for 100% of the common stock estimated to be eligible for a distribution under the proposed Plan of Allocation (described in Question 8 below), the estimated average distribution will be approximately \$0.28 per eligible share of common stock, before deduction of Court-approved fees and expenses, including the cost of settlement administration, any attorneys’ fees and expenses awarded by the Court to Lead Counsel, and any Lead Plaintiff Compensatory Award awarded by the Court. Historically, actual claim rates are less than 100%, which results in higher distributions per share. The payment you get will reflect the percentage of the Net Settlement Fund that your Recognized Loss bears to the total of the Recognized Losses of all Authorized Claimants.
- **Reasons for Settlement:** The Settlement resolves claims against Defendants for alleged violations of the federal securities laws that have been pending since April 2018. Defendants deny all allegations of wrongdoing. The Settlement provides the Settlement Class with a substantial benefit now (namely \$1.2 million, plus interest), as compared to the risk that a smaller or no recovery would be achieved after engaging in years of further litigation – including contested motions, trial, and likely appeals, in which Defendants would have the opportunity to assert defenses to the claims asserted against them. In light of the amount of the Settlement and the immediacy of recovery to the Settlement Class Members, Plaintiffs believe that the proposed Settlement is fair, reasonable and adequate, and in the best interests of the Settlement Class.
- **Fees and Expenses:** Lead Counsel, who have been prosecuting this Litigation on a wholly contingent basis since its inception, have not received any payment of attorneys’ fees for their

¹ All otherwise undefined terms have the definitions set forth in the Stipulation of Settlement (the “Stipulation”), executed by the Parties on April 15, 2019.

representation of the Settlement Class (including, but not limited to, investigating the facts, drafting and filing the Complaint, and negotiating the Settlement) and have advanced the funds to pay expenses necessarily incurred to prosecute the Action. Lead Counsel will ask the Court for attorneys’ fees not to exceed 25% of the Settlement Fund and reimbursement of out-of-pocket expenses not to exceed \$50,000 to be paid from the Settlement Fund. Additionally, Lead Counsel intend to ask the Court to grant Lead Plaintiffs an award not to exceed \$7,500 in total. If the above amounts are requested and approved by the Court, the average cost will be approximately \$0.08 per damaged share of IZEA common stock.

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT

SUBMIT A CLAIM FORM NO LATER THAN _____, 201__	The only way to get a payment.
EXCLUDE YOURSELF NO LATER THAN _____, 201__	Get no payment. This is the only option that allows you to be part of any other lawsuit against Defendants about the legal claims in this case.
OBJECT NO LATER THAN _____, 201__	Write to the Court about why you do not like the Settlement.
GO TO THE SETTLEMENT HEARING ON _____, 201__	Speak in Court about the fairness of the Settlement.
DO NOTHING	Get no payment. Give up rights.

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1. Why Did I Get This Notice Package?

You or someone in your family may have purchased IZEA common stock during the Settlement Class Period.

The Court directed us to send this Notice because, as a potential Settlement Class Member, you have a right to know about the proposed Settlement, and about all of your options. Additionally, you have the right to understand how a class action lawsuit may generally affect your legal rights. *See* Question 3 below. If the Court approves the Settlement and the Plan of Allocation (or some other plan of allocation), the Claims Administrator, selected by Plaintiffs and approved by the Court, will issue payments pursuant to the Settlement and the court-approved Plan of Allocation. This Notice is also being sent to inform you of a hearing to be held by the Court to consider the fairness, reasonableness, and adequacy of the proposed Settlement, the proposed Plan of Allocation, and the Fee and Expense Application.

The Court in charge of the case is the Honorable Stephen V. Wilson of the United States District Court for the Central District of California, and the case is known as *Perez v. IZEA, Inc. et al.*, Case No. 2:18-cv-02784-SVW-GJS.

2. What Is This Lawsuit About?

Plaintiffs allege that Defendants violated Sections 10(b) and 20(a) of the Securities Exchange Act of 1934 by allegedly misrepresenting or omitting material facts about, among other things, how IZEA recognized revenue for one of its lines of business during the Settlement Class Period. Plaintiffs allege that the purported false and misleading statements or omissions resulted in the artificial inflation of the price of IZEA common stock during the period May 15, 2015 through April 3, 2018, inclusive.

Defendants, individually and collectively, have denied and continue to deny any wrongdoing whatsoever and have denied and continue to deny that Defendants committed or attempted to commit, any of the wrongful acts or violations of law that are alleged in the Action, including that they made any material misrepresentations or omissions or that the Plaintiffs or Members of the Settlement Class were harmed by the conduct alleged in the Complaint. In addition, Defendants maintain that they have meritorious defenses to all claims alleged in the Action, and maintain that their conduct was at all times proper and in compliance with applicable provisions of law.

Plaintiffs and Defendants disagree on liability and damages. Plaintiffs and their financial expert believe that, if the class prevailed on Plaintiffs' claims and the Court accepted their theory of damages, the class could have potentially received a jury award in the range of \$4 million,

before deductions for fees and expenses and assuming that the full amount of the judgment was collectable. Defendants deny that they are liable to the class and deny that the class has suffered any damages. Defendants believe that even if Plaintiffs were to prove the other elements of their claims, there are no damages that can be proved. The Settlement resolves all certified claims against Defendants.

3. Why Is This a Class Action?

A class action is a type of lawsuit in which the claims of a number of individuals are resolved together, thus providing the class members with both consistency and efficiency. Once the class is certified, the court must resolve all issues on behalf of the class members, except for any Persons who choose to exclude themselves from the class. Here, all these people, together, are called the Settlement Class or Settlement Class Members.

In a class action, one or more people called lead plaintiffs sue on behalf of people who have similar claims. In the Action, the Court appointed Steven Highfill, Saverio La Francesca, and Jasdeep Condle to serve as the Lead Plaintiffs, and approved Lead Plaintiffs' selection of The Rosen Law Firm, P.A. and Federman & Sherwood to serve as lead counsel on behalf of the Settlement Class ("Lead Counsel").

The Court has preliminarily certified the Action to proceed as a class action for settlement purposes only and preliminarily certified the Lead Plaintiffs as the representatives for the Settlement Class.

4. Why Is There a Settlement?

The Court did not decide in favor of Plaintiffs or Defendants. Instead, the Parties have negotiated a settlement that they believe is in the best interests of their respective clients. The Settlement allows both sides to avoid the risks and cost of lengthy and uncertain litigation and the uncertainty of a trial and appeals, and permits eligible Settlement Class Members to be compensated without further delay.

The proposed Settlement was arrived at through lengthy, arms'-length negotiations. Plaintiffs and Lead Counsel agreed to the terms of the proposed Settlement after considering the results of their factual and legal investigation, and the strengths and weaknesses of the claims and defenses asserted in the Action. Based upon that evaluation, among other things, Plaintiffs and Lead Counsel have concluded that the terms and conditions of the proposed Settlement are fair, reasonable and adequate to the Settlement Class, and that it is in the best interests of the Settlement Class to settle the claims alleged in the Action pursuant to the terms and provisions of the Stipulation.

5. How Do I Know If I Am Part of the Settlement?

The Settlement Class includes all Persons who purchased or otherwise acquired IZEA common stock during the period May 15, 2015 through April 3, 2018, inclusive.

6. Are There Exceptions to Being Included in the Settlement Class?

Yes. Excluded from the Settlement Class are Defendants, members of the immediate family of the Defendants, any entity in which any Defendants have or had a controlling interest, any entity for which any Defendant acted as an investment member, current and former directors and officers of IZEA and the legal representatives, heirs, successors, or assigns of any such excluded Person. Also excluded from the Settlement Class are those persons and entities who timely and validly request exclusion from the Settlement Class pursuant to this Notice.

7. What Does the Settlement Provide?

Defendants have agreed to pay, or cause their insurer to pay, \$1.2 million in cash in settlement of the Action (the “Settlement Amount”). The Settlement Amount, plus any interest or income earned thereon from the date it is established (the “Settlement Fund”), less costs, fees, and expenses (the “Net Settlement Fund”), will be divided among all eligible Settlement Class Members who submit valid Proofs of Claim and whose claim for recovery has been allowed pursuant to the terms of the Stipulation (“Authorized Claimants”). Costs, fees, and expenses include Court-approved attorneys’ fees and expenses, the costs of notifying Settlement Class Members, including the costs of printing and mailing this Notice and the cost of publishing the Publication Notice, the costs of claims administration, and Taxes on the Settlement Fund.

8. How Much Will My Payment Be? What is the Plan of Allocation?

The Net Settlement Fund will be distributed to Class Members who submit valid, timely Proof of Claim and Release forms (“Claimants”) under the Plan of Allocation described below.

For purposes of determining the amount a Claimant may recover under the Plan of Allocation, Lead Counsel conferred with their damages expert. The Plan of Allocation reflects an assessment of the damages that Plaintiffs’ damages expert estimates could have been recovered had the Plaintiffs prevailed at trial. The Court may approve this Plan of Allocation as proposed or it may modify the Plan of Allocation. Any orders regarding a modification of the Plan of Allocation will be posted on the settlement website, [www.\[\]com](http://www.[]com).

Based on the foregoing, and for purposes of this Settlement only, the Plan of Allocation for distributing the Net Settlement Fund is as follows:

For each share of IZEA common stock purchased during the period May 15, 2015 and April 3, 2018, inclusive, the Recognized Loss for each such share shall be *the lesser of*:

- (i) the inflation per share on the date of purchase minus either: the inflation per share on the date of sale, if sold before April 25, 2018; or \$0.00, if not sold until April 25, 2018 or held thereafter, with the inflation per share as set forth in Table 1;

Table 1: Recognized Inflation Per Share Based on the Date of Sale or Purchase

Begin Sale Date	End Sale Date	Inflation Per Share
05/15/2015	03/27/2018	\$2.13
03/28/2018	04/01/2018	\$ 1.75
04/02/2018	04/02/2018	\$ 1.15
04/03/2018	04/04/2018	\$ 0.54
04/05/2018	04/10/2018	\$ 0.31
04/11/2018	04/17/2018	\$ 0.00
04/18/2018	04/18/2018	\$ 0.78
04/19/2018	04/19/2018	\$ 0.40
04/20/2018	04/24/2018	\$ 0.20
04/25/2018	Current	\$ 0.00

- (ii) the purchase price (excluding fees and commissions) minus the sale price (excluding fees and commissions), if sold on or before June 29, 2018; and,
- (iii) the purchase price (excluding fees and commissions) minus either: the 90-LookBack price as set forth in Table 2, if sold on or after April 3, 2018 and on or before June 29, 2018; or \$1.81 per share, if not sold prior to the close of trading on June 29, 2018.

Table 2: 90-LookBack Price Based on Date of Sale

Sale Date	Closing Price	90-Day LookBack Price
4/3/2018	2.42	2.42
4/4/2018	2.48	2.45
4/5/2018	2.26	2.39
4/6/2018	2.34	2.38
4/9/2018	2.31	2.36
4/10/2018	2.31	2.35
4/11/2018	1.81	2.28
4/12/2018	1.96	2.24
4/13/2018	2.05	2.22
4/16/2018	2.21	2.22
4/17/2018	2.20	2.21
4/18/2018	3.17	2.29
4/19/2018	2.77	2.33
4/20/2018	2.56	2.35
4/23/2018	2.38	2.35
4/24/2018	2.39	2.35
4/25/2018	2.19	2.34
4/26/2018	2.19	2.33

4/27/2018	2.16	2.32
4/30/2018	2.19	2.32
5/1/2018	2.12	2.31
5/2/2018	2.24	2.31
5/3/2018	2.16	2.30
5/4/2018	2.25	2.30
5/7/2018	2.29	2.30
5/8/2018	2.14	2.29
5/9/2018	2.07	2.28
5/10/2018	2.05	2.27
5/11/2018	2.01	2.26
5/14/2018	2.02	2.26
5/15/2018	2.11	2.25
5/16/2018	2.05	2.25
5/17/2018	2.04	2.24
5/18/2018	2.05	2.23
5/21/2018	2.06	2.23
5/22/2018	1.75	2.22
5/23/2018	1.72	2.20
5/24/2018	1.58	2.19
5/25/2018	1.53	2.17
5/29/2018	1.55	2.15
5/30/2018	1.51	2.14
5/31/2018	1.53	2.12
6/1/2018	1.43	2.11
6/4/2018	1.34	2.09
6/5/2018	1.34	2.07
6/6/2018	1.24	2.06
6/7/2018	1.31	2.04
6/8/2018	1.22	2.02
6/11/2018	1.21	2.01
6/12/2018	1.21	1.99
6/13/2018	1.21	1.97
6/14/2018	1.17	1.96
6/15/2018	1.16	1.94
6/18/2018	1.22	1.93
6/19/2018	1.17	1.92
6/20/2018	1.13	1.90
6/21/2018	1.12	1.89
6/22/2018	1.13	1.88
6/25/2018	1.09	1.86
6/26/2018	1.07	1.85
6/27/2018	1.05	1.84
6/28/2018	0.92	1.82
6/29/2018	0.95	1.81

For all purposes, the transaction date and not the settlement date shall be used as the date for determining the eligibility to file a claim, and the calculation of Recognized Losses. All purchases and sales of shares of IZEA stock shall be accounted for and matched using the first-in-first-out (FIFO) method of accounting and gains on short sales of IZEA shares (if any) on or between May 15, 2015, and June 29, 2018, will be used to offset losses.

Each Authorized Claimant shall recover his, her, or its pro rata share of the Net Settlement Fund. If the prorated share calculates to less than \$10.00, it will be removed from the calculation and it will not be paid.

Distributions will be made to Authorized Claimants after all claims have been processed and after the Court has finally approved the Settlement.

Each Claimant shall be deemed to have submitted to the jurisdiction of the United States District Court for the Central District of California with respect to his, her, or its Proof of Claim form.

9. How Will I Receive a Payment?

Each Person wishing to participate in the distribution of the Net Settlement Fund must timely submit a valid Proof of Claim establishing membership in the Settlement Class, and include all required documentation, postmarked on or before [____], to the address set forth in the Proof of Claim that accompanies this Notice. A Proof of Claim form is enclosed with this Notice. Read the instructions carefully, fill out the form, include all the documents the form asks for, sign it, and mail it postmarked on or before ____.

Unless the Court otherwise orders, any Settlement Class Member who fails to submit a Proof of Claim postmarked on or before [], shall be fully and forever barred from receiving payments pursuant to the Settlement, but will in all other respects remain a Settlement Class Member and be subject to the provisions of the Stipulation and Settlement that is approved, including the terms of any judgment entered and releases given.

Persons that are excluded from the Settlement Class by definition or that exclude themselves from the Settlement Class will not be eligible to receive a distribution from the Net Settlement Fund and should not submit a Proof of Claim.

10. When Will I Receive My Payment?

The Court will hold a hearing on _____, to decide whether to approve the Settlement, the proposed Plan of Allocation, and Fee and Expense Application. If the Settlement is approved by the Court, and upon satisfaction of the other conditions to the Settlement, including the expiration of the time for the filing of any appeals, the Net Settlement Fund will be distributed to Authorized Claimants in accordance with the Plan of Allocation approved by the Court.

The claims administration process takes time. Please be patient.

11. What Rights Am I Giving Up by Remaining in the Settlement Class?

Unless you exclude yourself, you are staying in the Settlement Class, and that means that you cannot sue, continue to sue, or be part of any other lawsuit against the Defendants or the Defendants' Released Parties about the Released Claims in this case. It also means that all of the Court's orders will apply to you and legally bind you and, in return for your participation in the Settlement, you will release your claims in this case against the Defendants and the Defendants' Released Parties. The terms of the release are included in the Proof of Claim that is enclosed.

12. What If A Settlement Class Member Is Deceased?

The authorized legal representative(s) of a Settlement Class Member may receive a recovery on behalf of the deceased Settlement Class Member.

13. What If I Bought IZEA Securities On Someone Else's Behalf?

If you purchased IZEA Securities during the Settlement Class Period for the beneficial interest of a Settlement Class Member, you must either (a) send copies of the Notice and Proof of Claim to the beneficial owner(s) of the Securities within ten (10) days from the receipt of the Notice, and provide written confirmation to the Claims Administrator of such transmittal, or (b) provide the Claims Administrator with the names and addresses of such beneficial owner(s) within ten (10) days from the receipt of the Notice, in which event the Claims Administrator will promptly mail the Notice and Proof of Claim to such beneficial owner(s). The Claims Administrator will provide nominees with additional copies of the Notice and Proof of Claim upon request. Nominees may seek reimbursement of their reasonable administrative costs and expenses actually incurred in searching their records to find the names and addresses of beneficial owners and for mailing the Notice and Proof Claim by providing the Claims Administrator with proper documentation supporting the expenses for which reimbursement is sought.

Copies of this Notice and the Proof of Claim can be obtained from the website maintained by the Claims Administrator, www._____.com, by calling the Claims Administrator toll-free at 1-800-[], or from Lead Counsel's websites: www.federmanlaw.com and www.rosenlegal.com.

If you do not want a payment from the Settlement, but you want to keep the right to sue or continue to sue one or more of the Defendants on your own for the Released Claims in this case, then you must take steps to get out of the Settlement Class. This is called excluding yourself from, or is sometimes referred to as opting out of, the Settlement Class.

14. How Do I Exclude Myself from the Settlement?

If you do not want a payment from the Settlement, but you want to keep the right to sue or continue to sue one or more of the Defendants on your own for the Released Claims in this case, then you must take steps to get out of the Settlement Class. This is called excluding yourself from the Settlement Class.

To exclude yourself from the Settlement Class, you must send a letter by first-class mail by [], 2019, stating that you want to be excluded from *Julian Perez v. IZEA, Inc. et al.*, No. 2:18-cv-02784-SVW-GJS. You must include: (a) the name, address, and telephone number of the Person requesting exclusion; (b) the Person's purchases and sales of IZEA common stock, including the dates, the number of shares of common stock, and price paid or received per share of common stock for each such purchase or sale (and supporting documentation); and (c) a statement that the Person wishes to be excluded from the Settlement Class. No request for exclusion will be considered valid unless all of the information described above is included in any such request.

Any Person who wishes to exclude him/her/itself from the Settlement Class must submit a valid and timely Request for Exclusion to:

IZEA Securities Settlement
KCC Class Action Services
EXCLUSIONS
[ADDRESS]
[CITY STATE ZIP]

You cannot exclude yourself on the phone, by fax, or by e-mail. If you ask to be excluded, you are not eligible to receive any Settlement payment, and you cannot object to the Settlement, or any part of it.

15. If I Do Not Exclude Myself, Can I Sue the Defendants for the Same Thing Later?

No. Unless you exclude yourself, you give up any right to sue the Defendants and the Defendants' Released Parties for all the Released Claims in the Settlement. If you have a pending lawsuit against any of the Defendants, speak to your lawyer in that case immediately. Remember, the exclusion deadline is [], 201_.

16. If I Exclude Myself, Can I Get Money from This Settlement?

No. If you exclude yourself, do not send in a Proof of Claim. But, you may sue, continue to sue, or be part of a different lawsuit, involving the Released Claims against the Defendants and their Corresponding Parties. Once you exclude yourself, you will receive no cash payment even if you also submit a Proof of Claim.

THE LAWYERS REPRESENTING YOU

17. Do I Have a Lawyer in This Case?

The Court appointed The Rosen Law Firm, P.A. and Federman & Sherwood as Lead Counsel to represent you and other Settlement Class Members. If you want to be represented by your own lawyer, you may hire one at your own expense.

18. How Will the Lawyers Be Paid?

To date, Lead Counsel have not received any payment for their services in conducting this Litigation on behalf of the Plaintiffs and the Settlement Class and have not been paid for their substantial out-of-pocket expenses. Lead Counsel will ask the Court for an award of attorneys’ fees not to exceed \$300,000 (25% of the Settlement Fund) and for the reimbursement of out-of-pocket expenses of up to \$50,000, which were incurred in connection with the Action. Such sums as may be approved by the Court will be paid from the Settlement Fund.

The attorneys’ fees and expenses requested, to the extent they are awarded by the Court, will be the only payment to Lead Counsel for their efforts in achieving the Settlement and for their risk in undertaking this representation on a wholly-contingent basis. The fees requested, if awarded, will compensate Lead Counsel for their work and risk in achieving the Settlement. Lead Counsel believe that these fees are well within the range of fees awarded to class counsel under similar circumstances in other cases of this type.

19. How Do I Tell the Court that I Do Not Like the Settlement?

If you are a Settlement Class Member, you can object to the Settlement if you do not like any part of it, including the proposed Plan of Allocation, request for attorneys’ fees and reimbursement of out-of-pocket expenses, or the request for the Lead Plaintiff Compensatory Award. You can state why you think the Court should not approve it. The Court will consider your views. To object, you must send a written objection saying that you object to the Settlement, or any part of it, in *Julian Perez v. IZEA, Inc. et al.*, No. 2:18-cv-02784-SVW-GJS. Be sure to include: (a) your name, address, telephone number; (b) your purchases and sales of IZEA common stock, including the dates, the number of shares, and price paid or received per share of common stock for each such purchase or sale; (c) your signature; and (d) the reasons for your objection. Any Person who wishes to object to the Settlement, the Plan of Allocation and/or the Fee and Expenses Application must file and serve an objection on or before [], to:

<u>Clerk’s Office</u>	<u>Counsel for Plaintiffs</u>	<u>Counsel for Defendants</u>
<p>Clerk of Court United States District Court Central District of California 350 W. 1st Street Los Angeles, CA 90012</p>	<p>William B. Federman, Esq. Brooke Murphy, Esq. FEDERMAN & SHERWOOD 10205 N. Pennsylvania Ave. Oklahoma City, OK 73120 Facsimile: (405) 239-2112</p> <p>Phillip Kim, Esq. THE ROSEN LAW FIRM, P.A. 275 Madison Avenue, 34th Floor New York City, New York 10016 Facsimile: (212) 202-3827</p>	<p>Paul J. Walsen, Esq. Nicole C. Mueller, Esq. K&L GATES LLP 70 West Madison Street, Suite 3100 Chicago, IL 60602 Facsimile: (312) 345-9976</p>

You may file a written objection without having to appear at the Settlement Hearing (defined below). You may not, however, appear at the Settlement Hearing to present your

objection unless you first filed and served a written objection in accordance with the procedures described above, unless the Court orders otherwise.

If you file an objection to the proposed Settlement, proposed Plan of Allocation, and/or the Fee and Expense Application you also have a right to appear at the Settlement Hearing either in person or through counsel hired by you at your own expense. If you wish to be heard orally at the hearing in opposition to the approval of the proposed Settlement, the proposed Plan of Allocation, or the Fee and Expense Application, and if you file and serve a timely written objection as described above, you must also file a notice of appearance with the Clerk's Office and serve it on the Claims Administrator at the address set forth above. Persons who intend to object and desire to present evidence at the Settlement Hearing must include in their written objection or notice of appearance the identity of any witnesses they may call to testify and exhibits they intend to introduce into evidence at the hearing.

Unless the Court orders otherwise, any Settlement Class Member who does not object in the manner described above will be deemed to have waived any objection and shall be forever foreclosed from making any objection to the proposed Settlement, the proposed Plan of Allocation and the Fee and Expense Application.

20. What is the Difference Between Objecting and Excluding?

Objecting is telling the Court that you do not like something about the proposed Settlement or any part of it, including the proposed Plan of Allocation, and Fee and Expense Application. You can object only if you stay in the Settlement Class. Excluding yourself is telling the Court that you do not want to be part of the Settlement Class. If you exclude yourself, you have no basis to object because the case no longer affects you.

21. When and Where Will the Court Decide Whether to Approve the Settlement?

The Court will hold a hearing to decide whether to approve the proposed Settlement, the proposed Plan of Allocation, and/or the Fee and Expense Application (the "Settlement Hearing"). You may attend and you may ask to speak, but you do not have to.

The Settlement Hearing will take place at _____ a.m., on _____, 201_, at the United States District Court for the Central District of California, Courtroom 10A, 350 W. 1st Street, Los Angeles, CA 90012. At this hearing, the Court will consider whether the Settlement is fair, reasonable, and adequate. If there are objections, the Court will consider them. Judge Wilson will listen to people who have asked to speak at the hearing. *See* Question 19, above. The Court will also decide whether to approve the proposed Plan of Allocation and the payment of fees and expenses to Lead Counsel. The Court may decide these issues at the hearing or take them under consideration and decide them at a later time. We do not know how long these decisions will take.

The Court may adjourn or continue the Settlement Hearing without further notice to the Settlement Class. If you intend to attend the Settlement Hearing, you should confirm the date and time with Lead Counsel.

22. Do I have to Come to the Hearing?

No. Settlement Class Members do not need to attend the Settlement Hearing; thus, you are not obligated to attend. Lead Counsel will answer any questions Judge Wilson may have. Moreover, the Court will consider any submission made in accordance with the provisions in this Notice even if the Settlement Class Member does not attend the hearing. But, you are welcome to come at your own expense. If you send an objection, you do not have to come to Court to talk about it. As long as you mailed your written objection on time, the Court will consider it. You may also pay your own lawyer to attend, but it is not necessary. *See* Question 18, above.

23. May I Speak at the Hearing?

You may ask the Court for permission to speak at the Settlement Hearing. To do so, you must send a letter saying that it is your intention to appear in *Perez v. IZEA, Inc. et al.*, No. 2:18-cv-02784-SVW-GJS. Be sure to include: (a) your name, address, and telephone number; (b) your purchases and sales of IZEA common stock, including the dates, the number of shares, and price paid or received per share of common stock for each such purchase or sale; and (c) your signature. Your notice of intention to appear must be filed with the Court at the address above (*see* Question 19) prior to the date of the Settlement Hearing, and be sent to the Lead Counsel, and Defendants' Counsel, at the addresses below.

William B. Federman, Esq.
A. Brooke Murphy, Esq.
FEDERMAN & SHERWOOD
10205 N. Pennsylvania Avenue
Oklahoma City, OK 73120

Paul J. Walsen, Esq.
Nicole C. Mueller, Esq.
K&L GATES LLP
70 West Madison Street, Suite 3100
Chicago, IL 60602

Counsel for Defendants

Phillip Kim, Esq.
THE ROSEN LAW FIRM, P.A.
275 Madison Avenue, 34th Floor
New York City, New York 10016

*Counsel for Plaintiffs and Lead Counsel
for the Settlement Class*

You cannot speak at the hearing if you exclude yourself from the Settlement Class.

24. What Happens if I Do Nothing at All?

If you do nothing, you will receive no money from the Settlement. But, unless you exclude yourself, you will not be able to start a lawsuit, continue with a lawsuit, or be part of any other lawsuit against the Defendants and their Corresponding Related Parties about the Released Claims in this case.

25. How Do I Get More Information?

This Notice is a summary and does not describe all of the details of the Stipulation of Settlement. For the precise terms and conditions of the proposed Settlement, you may review the Stipulation filed with the Court, as well as the other pleadings and records of the Action, which may be inspected during regular business hours, at the office of the Clerk of the Court, United States District Court for the Central District of California, 350 W. 1st Street, Los Angeles, CA 90012, during regular business hours, or from Lead Counsel’s websites, www.federmanlaw.com and www.rosenlegal.com. Settlement Class Members without access to the internet may be able to review the Stipulation on-line at locations such as a public library.

For further information regarding the proposed Settlement you may contact:

<u>Claims Administrator</u>	<u>Counsel for Plaintiffs</u>
IZEA Securities Settlement c/o KCC Class Action Services [ADDRESS] [CITY STATE ZIP] Toll Free: 1[-xxx-xxx-xxxx] www.[_____] .com	William B. Federman, Esq. Brooke Murphy, Esq. FEDERMAN & SHERWOOD 10205 N. Pennsylvania Ave. Oklahoma City, OK 73120 Telephone: (405) 235-1560 Phillip Kim, Esq. THE ROSEN LAW FIRM, P.A. 275 Madison Avenue, 34th Floor New York City, New York 10016 Telephone: (212) 686-1060

DO NOT TELEPHONE THE COURT REGARDING THIS NOTICE

SPECIAL NOTICE TO BANKS, BROKERS, AND OTHER NOMINEES

Bankers, brokers, and nominees (“Nominees”) who held IZEA common stock during the period May 15, 2015 through April 3, 2018, inclusive, for the beneficial ownership of another Person, shall send the Notice and the Proof of Claim to such beneficial owners within ten (10) calendar days after receipt thereof, or send a list of the names and addresses of such beneficial owners to the Claims Administrator within ten (10) calendar days of receipt thereof, in which event the Claims Administrator shall promptly mail the Notice and the Proof of Claim to such beneficial owners. Nominees may obtain reimbursement for reasonable administrative costs actually incurred in connection with forwarding the Notice and which would not have been incurred but for the obligation to forward the Notice, upon submission of appropriate documentation to the Claims Administrator. Nominees who do not intend to comply with the provisions of this paragraph are requested to notify the Claims Administrator of that fact.

DATED: _____, 201__

BY ORDER OF THE COURT
UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

EXHIBIT A-2

PROOF OF CLAIM AND RELEASE

Deadline for Submission: _____, 2019

IF YOU PURCHASED THE COMMON STOCK OF IZEA, INC. (“IZEA”) DURING THE PERIOD MAY 15, 2015 THROUGH APRIL 3, 2018, INCLUSIVE (THE “SETTLEMENT CLASS PERIOD”), AND WERE DAMAGED AS A RESULT, YOU ARE A “CLASS MEMBER” AND MAY BE ENTITLED TO SHARE IN THE SETTLEMENT PROCEEDS.

TO BE ELIGIBLE FOR ANY SETTLEMENT BENEFITS, YOU MUST COMPLETE AND SIGN THIS PROOF OF CLAIM AND RELEASE (“PROOF OF CLAIM”) AND MAIL IT BY FIRST CLASS MAIL, POSTMARKED NO LATER THAN _____, 2019 TO KCC, LLC, THE CLAIMS ADMINISTRATOR, AT THE FOLLOWING ADDRESS:

IZEA Securities Settlement
c/o KCC Class Action Services
P.O. Box _____

YOUR FAILURE TO SUBMIT YOUR CLAIM BY _____, 2019 WILL SUBJECT YOUR CLAIM TO REJECTION AND PRECLUDE YOUR RECEIVING ANY MONEY IN CONNECTION WITH THE SETTLEMENT OF THIS ACTION. DO NOT MAIL OR DELIVER YOUR CLAIM TO THE COURT OR TO ANY OF THE PARTIES OR THEIR COUNSEL AS ANY SUCH CLAIM WILL BE DEEMED NOT TO HAVE BEEN SUBMITTED. SUBMIT YOUR CLAIM ONLY TO THE CLAIMS ADMINISTRATOR.

CLAIMANT’S STATEMENT

1. I (we) purchased common stock of IZEA during the Settlement Class Period and was (were) damaged as a result. (Do not submit this Proof of Claim if you did not purchase IZEA common stock during the designated Class Period).
2. By submitting this Proof of Claim, I (we) state that I (we) believe in good faith that I am (we are) a Class Member as defined above and in the Notice of Pendency and Proposed Settlement of Class Action and Settlement Hearing Thereon (the “Notice”), or am (are) acting for such person(s); that I am (we are) not a Defendant in the Action or anyone excluded from the Class; that I (we) have read and understand the Notice; that I (we) believe that I am (we are) entitled to receive a share of the Net Settlement Fund, as defined in the Notice; that I (we) elect to participate in the proposed Settlement described in the Notice; and that I (we) have not filed a request for exclusion. (If you are acting in a representative capacity on behalf of a Class Member [e.g., as an executor, administrator, trustee, or other representative], you must submit evidence of your current authority to act on behalf of that Class Member. Such evidence would include, for example, letters testamentary, letters of administration, or a copy of the trust documents.)
3. I (we) consent to the jurisdiction of the Court with respect to all questions concerning the validity of this Proof of Claim. I (we) understand and agree that my (our) claim may be subject to investigation and discovery under the Federal Rules of Civil Procedure, provided that such investigation and discovery shall be limited to my (our) status as a Class Member(s) and the validity and amount of my (our) claim.

4. I (we) have set forth where requested below all relevant information with respect to each transaction in IZEA common stock during the Class Period. I (we) agree to furnish additional information to the Claims Administrator to support this claim if requested to do so.
5. I (we) have enclosed photocopies of the stockbroker's confirmation slips, stockbroker's statements, or other documents evidencing each purchase, sale or retention of IZEA stock listed below in support of my (our) claim. (IF ANY SUCH DOCUMENTS ARE NOT IN YOUR POSSESSION, PLEASE OBTAIN A COPY OR EQUIVALENT DOCUMENTS FROM YOUR BROKER AS THESE DOCUMENTS ARE NECESSARY TO PROVE AND PROCESS YOUR CLAIM.)
6. I (we) understand that the information contained in this Proof of Claim is subject to such verification as the Claims Administrator may request or as the Court may direct, and I (we) agree to cooperate in any such verification. (The requested information is designed to provide the minimum amount of information necessary to process most simple claims. The Claims Administrator may request additional information as required to efficiently and reliably calculate your recognized claim.)
7. Upon the occurrence of the Court's approval of the Settlement, as detailed in the Notice, I (we) agree and acknowledge that my (our) signature(s) below shall effect and constitute a full and complete release, remise and discharge by me (us) and my (our) heirs, joint tenants, tenants in common, beneficiaries, executors, administrators, predecessors, successors, attorneys, insurers and assigns (or, if I am (we are) submitting this Proof of Claim on behalf of a corporation, a partnership, estate or one or more other persons, by it, him, her or them, and by its, his, her or their heirs, executors, administrators, predecessors, successors, and assigns) of each of the "Released Parties" of all "Settled Claims," as defined in the Stipulation of Settlement.
8. NOTICE REGARDING ELECTRONIC FILES: Certain claimants with large numbers of transactions may request, or may be requested, to submit information regarding their transactions in electronic files. All Claimants MUST submit a manually signed paper Proof of Claim form listing all their transactions whether or not they also submit electronic copies. If you wish to file your claim electronically, you must contact the Claims Administrator at info@_____.com or visit their website at www._____.com to obtain the required file layout. No electronic files will be considered to have been properly submitted unless the Claims Administrator issues to the Claimant a written acknowledgment of receipt and acceptance of electronically submitted data.

I. CLAIMANT INFORMATION

Name		
Joint Name		
Address		
City	State	ZIP
Foreign Province	Foreign Country	
Day Phone	Evening Phone	
Email		
Last four digits of Social Security Number (for individuals)	OR	Last four digits of Taxpayer Identification Number (for estates, trusts, corporations, etc.)

II. SCHEDULE OF TRANSACTIONS IN IZEA COMMON STOCK

Beginning Holdings:

A. State the total number of shares of IZEA common stock owned at the close of trading on May 14, 2015, long or short (*if a net short position, enter a negative value*).

--

Purchases During the Class Period:

B. Separately list each and every purchase of IZEA common stock during the period from May 15, 2015 through April 3, 2018, inclusive, and provide the following information (*must provide documentation*):

Trade Date (List Chronologically) (Month/Day/Year)	Number of Shares Purchased	Price per Share	Total Cost (Excluding Commissions, Taxes, and Fees)

Purchases During the 90-Day Look Back Period:

C. State the total number of shares of IZEA common stock purchased from April 4, 2018 through June 29, 2018, inclusive. If none, write “zero” or “0”.

Sales:

D. Separately list each and every sale of IZEA common stock during the period from May 15, 2015 through June 29, 2018, inclusive, and provide the following information (*must provide documentation*):

Trade Date (List Chronologically) (Month/Day/Year)	Number of Shares Sold	Price per Share	Amount Received (Excluding Commissions, Taxes, and Fees)

End Holdings:

E. State the total number of shares of IZEA common stock owned at the close of trading on June 29, 2018. (*If other than zero, must provide documentation. If a net short position, enter a negative value.*)

If additional space is needed, attach separate, numbered sheets, giving all required information, substantially in the same format, and print your name and Social Security or Taxpayer Identification Number at the top of each sheet.

IV. CERTIFICATION

I (We) certify that I am (we are) NOT subject to backup withholding under the provisions of Section 3406 (a)(1)(c) of the Internal Revenue Code because: (a) I am (We are) exempt from backup withholding, or (b) I (we) have not been notified by the I.R.S. that I am (we are) subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the I.R.S. has notified me (us) that I am (we are) no longer subject to backup withholding.

NOTE: If you have been notified by the I.R.S. that you are subject to backup withholding, please strike out the language that you are not subject to backup withholding in the certification above.

UNDER THE PENALTIES OF PERJURY UNDER THE LAWS OF THE UNITED STATES, I (WE) CERTIFY THAT ALL OF THE INFORMATION I (WE) PROVIDED ON THIS PROOF OF CLAIM AND RELEASE FORM IS TRUE, CORRECT AND COMPLETE.

Signature of Claimant (If this claim is being made on behalf of Joint Claimants, then each must sign):

(Signature)

(Signature)

(Capacity of person(s) signing, e.g. beneficial purchaser(s), executor, administrator, trustee, etc.)

Date: _____

THIS PROOF OF CLAIM MUST BE SUBMITTED NO LATER THAN _____, 2019 AND MUST BE MAILED TO:

IZEA Securities Settlement
c/o KCC Class Action Services
P.O. Box _____

A Proof of Claim received by the Claims Administrator shall be deemed to have been submitted when posted, if mailed by _____, 2019 and if a postmark is indicated on the envelope and it is mailed first class and addressed in accordance with the above instructions. In all other cases, a Proof of Claim shall be deemed to have been submitted when actually received by the Claims Administrator.

REMINDER CHECKLIST

- Please be sure to sign this Proof of Claim on page _____. If this Proof of Claim is submitted on behalf of joint claimants, then both claimants must sign.
- Please remember to attach supporting documents. Do NOT send any stock certificates. Keep copies of everything you submit.
- Do NOT use highlighter on the Proof of Claim or any supporting documents.
- If you move after submitting this Proof of Claim, please notify the Claims Administrator of the change in your address.
- The Claims Administrator will acknowledge receipt of your Proof of Claim by mail, within 60 days. Your claim is not deemed filed until you receive an acknowledgement postcard. If you do not receive an acknowledgement postcard within 60 days, please call the Claims Administrator toll free at 1-xxx-xxx-xxxx.
- 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.
- If you have any questions or concerns regarding your claim, please contact the Claims Administrator at the below address or at 1-xxx-xxx-xxxx, or visit www._____.com.

EXHIBIT A-3

UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

JULIAN PEREZ, individually and on behalf
of all others similarly situated,

Plaintiffs,

v.

IZEA, INC., EDWARD MURPHY, and
LEANN C. HITCHCOCK.

Defendants.

Case No. 2:18-cv-02784-SVW-GJS

**SUMMARY NOTICE OF PENDENCY AND PROPOSED SETTLEMENT
OF CLASS ACTION AND SETTLEMENT HEARING THEREON**

TO: ALL PERSONS WHO PURCHASED THE COMMON STOCK OF IZEA, Inc. (“IZEA”) DURING THE PERIOD MAY 15, 2015 THROUGH APRIL 3, 2018, INCLUSIVE.

YOU ARE HEREBY NOTIFIED, pursuant to an Order of the United States District Court for the Central District of California, that Lead Plaintiffs in the above-captioned litigation (the “Action”) have reached a proposed settlement with Defendants for \$1,200,000.00 in cash, plus interest earned (the “Settlement”).

A hearing will be held on _____, 201_, at ___ a.m., before the Honorable Stephen V. Wilson, United States District Judge, in Courtroom 10A of the United States District Court, Central District of California, at 350 W. 1st Street, Los Angeles, CA, 90012 for the purpose of determining: (1) whether the Court should certify the Settlement Class for purposes of the Settlement pursuant to Federal Rule of Civil Procedure 23; (2) whether the proposed Settlement of \$1,200,000.00 in cash, plus any return thereon, should be approved by the Court as fair, just, reasonable, and adequate; (3) whether the Action should be dismissed with prejudice as against Defendants and Defendants’ Released Parties as set forth in the Stipulation of Settlement dated as of April 15, 2019; (4) whether the Plan of Allocation is fair, reasonable, and adequate and, therefore, should be approved; (5) whether the application of Plaintiffs’ Counsel for the payment of attorneys’ fees and reimbursement of costs and expenses incurred in connection with the Action should be approved; and (6) such other matters as the Court may deem appropriate.

If you purchased IZEA’s common stock during the period from May 15, 2015 through April 3, 2018, inclusive, your rights may be affected by the settlement of the Action. If you have not received a detailed Notice of Pendency and Proposed Settlement (the “Notice”) and a copy of the Proof of Claim, you may obtain copies by writing to *IZEA Securities Settlement* c/o KCC Class Action Services, Claims Administrator, [ADDRESS, CITY STATE ZIP], or by calling [TOLL-FREE NUMBER]. You may also obtain copies on the internet at [www.\[_____\] .com](http://www.[_____] .com). Complete information concerning the Action may be obtained from the Court files on this matter.

If you are a member of the Settlement Class, in order to share in the distribution of the Net Settlement Fund, you must timely submit a Proof of Claim to the Claims Administrator's address provided above and postmarked no later than _____, 201_. If you are a member of the Settlement Class and do not submit a proper Claim Form, you will not share in the distribution of the net proceeds of the Settlement but you will nevertheless be bound by any judgment or orders entered by the Court.

If you desire to be excluded from the Settlement Class, you must submit to the Claims Administrator a request for exclusion, at the address above and postmarked no later than _____, 201_, in the manner and form detailed in the Notice. If you properly exclude yourself from the Settlement Class, you will not be bound by any judgment or orders entered by the Court in the Action and you will not be eligible to share in the proceeds of the Settlement.

Any objection to the proposed Settlement, the Plan of Allocation, and/or Fee and Expense Application must be filed in the manner detailed in the Notice with the Clerk of the Court and delivered to Lead Counsel for Plaintiffs and Counsel for Defendants, such that it is received by each party no later than _____, 201_, in accordance with the instructions set forth in the Notice.

PLEASE DO NOT CONTACT THE COURT OR THE CLERK'S OFFICE REGARDING THIS NOTICE. Any questions should be directed to:

Claims Administrator:

IZEA Securities Settlement
c/o KCC Class Action Services
P.O. Box _____

[Toll-free number]

www._____.com

Lead Counsel for Plaintiffs:

William B. Federman
A. Brooke Murphy
FEDERMAN & SHERWOOD
10205 N. Pennsylvania Avenue
Oklahoma City, OK 73120
(405) 235-1560
wbf@federmanlaw.com
abm@federmanlaw.com

Phillip Kim
THE ROSEN LAW FIRM, P.A.
275 Madison Avenue, 34th Floor
New York City, New York 10016
(212) 686-1060
pkim@rosenlegal.com

DATED: _____, 201_

BY ORDER OF THE COURT
UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

EXHIBIT B

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

JULIAN PEREZ, individually and on
behalf of all others similarly situated,

Plaintiffs,

v.

IZEA, INC., EDWARD MURPHY,
and LEANN C. HITCHCOCK.

Defendants.

Case No. 2:18-cv-02784-SVW-GJS

**[PROPOSED] FINAL JUDGMENT
AND ORDER OF DISMISSAL**

CLASS ACTION

WHEREAS, (i) Lead Plaintiffs Steven Highfill, Saverio La Francesca,
and Jasdeep Condle (“Plaintiffs”), and (ii) Defendants IZEA, Inc., Edward Murphy,
and LeAnn C. Hitchcock (“Defendants”) (collectively the “Parties”) have entered
into the Stipulation of Settlement dated April 15, 2019 (the “Stipulation”),
providing for the settlement of the Action and release of all Released Claims and
Released Defendants’ Claims, which include Unknown Claims (the “Stipulation”),

1 on the terms and conditions set forth in the Stipulation, subject to approval of this
2 Court (the “Settlement”);

3
4 WHEREAS, all capitalized terms used herein shall have the same
5 meaning as set forth in the Stipulation;

6
7 WHEREAS, in the Preliminary Approval Order dated [], 2019, this
8 Court (a) preliminarily approved the Settlement; (b) certified the Action as a class
9 action for settlement purposes; (c) ordered that notice of the proposed Settlement be
10 provided to potential Class Members; (d) provided Class Members with the
11 opportunity either to exclude themselves from the Class or to object to the proposed
12 Settlement, the proposed Plan of Allocation, and/or the Fee and Expense
13 Application; and (e) scheduled a hearing regarding, among other things, final
14 approval of the Settlement, the proposed Plan of Allocation, and the Fee and
15 Expense Application;

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18 WHEREAS, due and adequate notice has been given to the Class;

19
20 WHEREAS, the Court conducted a hearing on [], 2019 (the
21 “Settlement Hearing”) to consider, among other things, (i) whether the terms and
22 conditions of the Settlement are fair, reasonable, and adequate and should therefore
23 be approved; (ii) whether a judgment should be entered dismissing the Action with
24 prejudice as against the Defendants; (iii) whether to approve the Plan of Allocation
25 as a fair and reasonable method to allocate the Settlement proceeds among the
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1 Members of the Class; and (iv) whether and in what amount to award Lead
2 Counsel's fees and reimbursement of expenses; and

3
4 WHEREAS, the Court having reviewed and considered the
5 Stipulation, all papers filed and proceedings held in connection with the Settlement,
6 and the record in the Action, and with good cause appearing therefor;

7
8 NOW, THEREFORE, IT IS HEREBY ORDERED, ADJUDGED
9 AND DECREED that:

10 1. This Judgment incorporates by reference the definitions in the
11 Stipulation, and all terms used herein shall have the same meanings as set forth in
12 the Stipulation, unless otherwise set forth herein.

13
14 2. The Court has jurisdiction over the subject matter of the Action and
15 over all parties to the Action, including, but not limited to, Plaintiffs, all Class
16 Members, and Defendants.

17
18 3. Pursuant to Federal Rule of Civil Procedure 23, this Court hereby
19 approves the Settlement set forth in the Stipulation and finds that the Settlement is,
20 in all respects, fair, just, reasonable, and adequate to the Class.

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22 4. The Settlement is hereby finally approved in all respects, and the
23 Parties are hereby directed to perform its terms.
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1 5. Except as to any individual claim of those Persons who have validly
2 and timely requested exclusion from the Class,¹ the Action (including all individual
3 claims and Class claims presented thereby) is dismissed with prejudice. The Parties
4 are to bear their own fees and costs, except as otherwise provided in the Stipulation.
5

6 6. Upon the Effective Date hereof, and in consideration of:
7

8 (a) Defendants’ agreement to instruct their insurance carriers to pay the amount of
9 \$1.2 million (the “Cash Settlement Amount”) and (b) Defendants’ release of
10 Defendants’ Released Claims, as set forth in the Stipulation, Plaintiffs and each
11 Class Member (and their Released Parties, as set forth in the Stipulation) shall be
12 deemed to have, and by operation of the Judgment shall have, fully, finally and
13 forever released, relinquished and discharged all Released Claims (including
14 Unknown Claims, as defined in the Stipulation) against Defendants, and each of
15 them, and each of their Released Parties, whether or not such Class Member
16 executes and delivers a Proof of Claim. The releases provided for in the Stipulation
17 are effective as of the Effective Date.
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23 ¹ By virtue of such request, these Persons are deemed not to be Members of the Class,
24 and have no rights to participate in the Settlement or to receive any distributions from
25 the Net Settlement Fund. The Persons listed on Exhibit 1 are the only Persons who
26 submitted requests for exclusion, and, as a consequence, these Persons are not bound
27 by the terms of the Stipulation and this Final Judgment and Order of Dismissal. The
28 absence of an Exhibit 1 to this Order reflects that no Persons requested exclusion
from the Class.

1 7. The terms of the Stipulation and of this Judgment shall be forever
2 binding on Defendants, Plaintiffs, and all other Class Members (regardless of
3 whether or not any individual Class Member submits a Proof of Claim or seeks or
4 obtains a distribution from the Net Settlement Fund), as well as their respective
5 heirs, executors, administrators, predecessors, successors, and assigns.

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8 8. The Escrow Agent appointed by Lead Counsel shall maintain the
9 Settlement Fund in accordance with the requirements set forth in the Stipulation.
10 No Defendant, or any Released Party, shall have any liability, obligation, or
11 responsibility whatsoever for the administration of the Settlement or disbursement
12 of the Net Settlement Fund. Lead Counsel, Plaintiffs, the Escrow Agent, and the
13 Claims Administrator shall have no liability to any Class Member with respect to
14 any aspect of the administration of the Settlement Fund, including, but not limited
15 to, the processing of Proofs of Claim and the distribution of the Net Settlement
16 Fund to Class Members.

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20 9. The Plan of Allocation is approved as fair and reasonable, and Lead
21 Counsel and the Claims Administrator are directed to administer the Stipulation in
22 accordance with its terms and provisions.

23
24 10. Class Members who have not been excluded from the Class are hereby
25 barred and enjoined from (a) filing, commencing, prosecuting, intervening in, or
26 participating (as class members or otherwise) in, any lawsuit in any jurisdiction
27 based on or relating to the Released Claims, and (b) organizing Class Members who
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1 have not been excluded from the Class into a separate class for purposes of
2 pursuing as a purported class action any lawsuit (including by seeking to amend a
3 pending complaint to include class allegations, or seeking class certification in a
4 pending action) based on or relating to the Released Claims.
5

6 11. Except as otherwise expressly set forth in the Stipulation, upon the
7 Effective Date, pursuant to § 21D of the Securities Exchange Act of 1934 (the
8 “Exchange Act”), 15 U.S.C. § 78u-4(f)7, this Final Judgment and Order of
9 Dismissal bars and permanently enjoins all Persons from instituting or prosecuting
10 any action or proceeding against the Defendants for equitable, partial, comparative,
11 or complete contribution, subrogation, or indemnity, however denominated, arising
12 out of or relating in any way to the Released Claims.
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16 12. Upon the Effective Date hereof, and in consideration of the releases to
17 be provided by Plaintiffs, the Class, and all members thereof, Defendants, and each
18 of them (and their Released Parties), shall be deemed to have, and by operation of
19 this Judgment shall have, fully, finally and forever released, relinquished and
20 discharged each and all of the Plaintiffs, Class Members, Lead Counsel, and each of
21 them, and each of their Released Parties from all Released Defendants’ Claims
22 (including Unknown Claims).
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25 13. The Notice was disseminated and published in accordance with the
26 Preliminary Approval Order. The form and method of notifying the Class of the
27 pendency of the Action as a class action and of the terms and conditions of the
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1 proposed Settlement satisfied the requirements of Rule 23 of the Federal Rules of
2 Civil Procedure, the Securities Exchange Act of 1934 (as amended by the Private
3 Securities Litigation Reform Act of 1995 (“PSLRA”)), due process, and any other
4 applicable law, constituted the best notice practicable under the circumstances, and
5 constituted due and sufficient notice to all Persons entitled thereto.
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7
8 14. The Plan of Allocation is approved as fair and reasonable, and Lead
9 Counsel and the Claims Administrator are directed to administer the Stipulation in
10 accordance with its terms and provisions.
11

12 15. Neither the Stipulation nor the Settlement contained therein, nor any
13 act performed or document executed pursuant to or in furtherance of the Stipulation
14 or the Settlement: (a) is or may be deemed to be or may be used as an admission,
15 concession or evidence of, the validity or invalidity of any Released Claims, the
16 truth or falsity of any fact alleged by the Plaintiffs, the sufficiency or deficiency of
17 any defense that has been or could have been asserted in the Action, or of any
18 alleged wrongdoing or liability of the Defendants and their Released Parties, or any
19 of them; (b) is or may be deemed to be or may be used as an admission of, or
20 evidence of, any fault or misrepresentation or omission with respect to any
21 statement or written document attributed to, approved or made by any of any of the
22 Defendants, or any of their Released Parties, in any civil, criminal or administrative
23 proceeding in any court, administrative agency or other tribunal; (c) is or may be
24 deemed to be or shall be used, offered, or received against the Defendants,
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1 Plaintiffs, their Released Parties, or each or any of them, as an admission,
2 concession, or evidence of, the validity or invalidity of any of Released Defendants'
3 Claims, the infirmity or strength of any claims raised in the Action, the truth or
4 falsity of any fact alleged by Defendants, or the availability or lack of availability of
5 meritorious defenses to the claims raised in the Action; and (d) is or may be deemed
6 to be or shall be construed as or received in evidence as an admission or concession
7 against the Parties and their Released Parties, or each or any of them, that any of the
8 Plaintiffs' claims are with or without merit, that damages recoverable under the
9 Plaintiffs' operative complaint would have been greater or less than the Cash
10 Settlement Amount or that the consideration to be given hereunder represents an
11 amount equal to, less than, or greater than that amount which could have or would
12 have been recovered after trial. Any of the Parties or any of their Released Parties
13 may file this Stipulation and/or the Final Judgment in any action that may be
14 brought against such Party or Parties in order to support a defense or counterclaim
15 based on principles of *res judicata*, collateral estoppel, release, good faith
16 settlement, judgment bar or reduction or any other theory of claim preclusion or
17 issue preclusion or similar defense or counterclaim.
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24 16. Without affecting the finality of this Judgment in any way, the Court
25 hereby retains exclusive jurisdiction over the Parties and Members of the Class for
26 all matters relating to the: (a) implementation of the Settlement and any award or
27 distribution of the Settlement Fund, including interest or income earned thereon;
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1 (b) disposition of the Settlement Fund; (c) determination of applications for
2 attorneys' fees, costs, interest and reimbursement of expenses in the Action; and
3
4 (d) construction, interpretation, enforcement, effectuation, and administration of the
5 Stipulation.

6 17. The Court finds that the complaints filed in the Action were filed on a
7
8 good faith basis in accordance with the PSLRA and Rule 11 of the Federal Rules of
9 Civil Procedure. The Court further finds that during the course of the Action, the
10 Parties and their respective counsel at all times complied with the requirements of
11 Federal Rule of Civil Procedure 11.

13 18. Lead Counsel are hereby awarded __% of the Settlement Fund in
14 attorneys' fees and \$ _____ in reimbursement of expenses, with interest
15 earned thereon.
16

17 19. The awarded attorneys' fees and expenses, and interest or income
18 earned thereon, shall be paid to Lead Counsel from the Settlement Fund
19 immediately after the date this Final Judgment and Order of Dismissal is executed
20 subject to the terms, conditions, and obligations of the Stipulation, which terms,
21 conditions, and obligations are incorporated herein.
22

24 20. Pursuant to 15 U.S.C. §78u-4(a)(4), the Court awards Lead Plaintiffs
25 \$ _____, to be evenly distributed to the three Plaintiffs, for their time and expense
26 in representing the Class. The reimbursement award shall be paid to Plaintiffs from
27 the Settlement Fund pursuant to the terms of the Stipulation.
28

1 21. The approved Plan of Allocation or award of attorneys' fees and
2 expenses in no way shall disturb or affect this Final Judgment and Order of
3 Dismissal and shall be considered separate from this Final Judgment and Order of
4 Dismissal.
5

6 22. In the event that the Settlement does not become effective in
7 accordance with the terms of the Stipulation, this Judgment shall be rendered null
8 and void to the extent provided by and in accordance with the Stipulation and shall
9 be vacated, and in such event, all orders entered and releases delivered in
10 connection herewith shall be null and void to the extent provided by and in
11 accordance with the Stipulation.
12

13 23. Without further approval from the Court, the Parties are authorized to
14 agree to and adopt such amendments, modifications and expansions of the
15 Stipulation and its implementing documents (including all exhibits to the
16 Stipulation) as (a) shall be consistent in all material respects with this Judgment, or
17 (b) do not materially limit the rights of Class Members. Without further order of
18 the Court, the parties may agree to reasonable extensions of time to carry out any of
19 the provisions of the Stipulation.
20

21 24. As there is no just reason for delay in the entry of this Final Judgment
22 and Order of Dismissal, the Court hereby directs that this Final Judgment and Order
23 of Dismissal be entered by the clerk forthwith pursuant to Federal Rule of Civil
24 Procedure 54(b). The direction of the entry of final judgment pursuant to Rule
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1 54(b) is appropriate and proper because this Judgment fully and finally adjudicates
2 the claims of the Plaintiffs and the Class against Defendants in this Action, it allows
3 consummation of the Settlement, and will expedite the distribution of the
4 Settlement proceeds to the Class Members.
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7 IT IS SO ORDERED:

8 Dated: _____, 2019

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10 _____
11 Hon. Stephen V. Wilson
12 United States District Court Judge
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