

**IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION**

ARTHUR L. BRASHER, *et al.*,

Plaintiffs,

v.

BROADWIND ENERGY, INC., *et al.*,

Defendants.

Case No. 1:11-CV-00991

Honorable James B. Zagel

NOTICE OF PENDENCY AND PROPOSED SETTLEMENT OF CLASS ACTION

IF YOU PURCHASED OR OTHERWISE ACQUIRED BROADWIND ENERGY, INC. (“BROADWIND”) COMMON STOCK DURING THE PERIOD MARCH 16, 2009 THROUGH AUGUST 9, 2010, INCLUSIVE, YOU COULD RECEIVE A PAYMENT FROM A CLASS ACTION SETTLEMENT.

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

Securities and Time Period: Broadwind common stock (CUSIP No. 11161T207) purchased during the period March 16, 2009 through August 9, 2010, inclusive.

Settlement Fund: \$3,915,000 in cash. Your recovery will depend on the number of shares of Broadwind common stock purchased during the period March 16, 2009 through August 9, 2010, inclusive, and the timing of your purchases and any sales. If claims are submitted for 100% of the eligible shares of Broadwind common stock, the estimated average recovery per share of common stock will be approximately \$0.12 before deduction of Court-approved fees and expenses and reimbursements. The actual amount per share you could receive will depend on a number of factors that are explained in the Plan of Allocation contained in Question 9 below.

Class: The Court has been asked to certify a Class of all Persons who purchased or otherwise acquired the common stock of Broadwind from March 16, 2009 through August 9, 2010, inclusive, and who were damaged thereby. Excluded from the Class are: (i) Defendants; (ii) Dismissed Defendants; (iii) members of each Defendant’s or Dismissed Defendant’s immediate family; (iv) any entity in which Defendants or Dismissed Defendants have or had a controlling interest; (v) officers and directors of Broadwind; and (vi) the legal representatives, heirs, successors or assigns of any such excluded party. Also excluded from the Class are those Persons who timely and validly request exclusion from the Class pursuant to this Notice.

Reasons for Settlement: Avoids the costs and risks associated with continued litigation, including the danger of no recovery, and provides a benefit to the Class now.

If the Case Had Not Settled: The Settlement must be compared to the risk of no recovery after contested motions, trial, and likely appeals. A trial is a risky proposition and Plaintiffs might not have prevailed. The claims in this case involve numerous complex legal and factual issues that would require extensive and costly expert testimony. Among the many key issues about which the two sides do not agree are: (1) whether any of the Defendants violated the securities laws or otherwise engaged in any wrongdoing; (2) whether the facts alleged by the Plaintiffs to be misrepresentations and omissions were material, false, misleading or otherwise actionable under the securities laws; (3) whether the various facts alleged by the Plaintiffs influenced the trading prices of Broadwind common stock during the Class Period; (4) the method for determining whether the price of Broadwind common stock was artificially inflated during the Class Period; (5) the amount (if any) of such inflation; and (6) the amount of damages (if any) that could be recovered at trial.

Statement of the Parties' Position on Damages: The parties do not agree on the average amount of damages per share that would be recoverable if Plaintiffs were to prevail in the Litigation. The parties disagree on, among other things: (a) the amount of inflation, if any, allegedly caused by the alleged misrepresentations and omissions; and (b) whether the misrepresentations and omissions were material to investors. The Defendants do not agree with the assertion that they engaged in any actionable conduct under the federal securities laws or that any damages were suffered by any members of the Class as a result of their conduct.

Attorneys' Fees and Expenses: Lead Counsel for Plaintiffs have not received any payment for their work investigating the facts, conducting this litigation, and negotiating the Settlement on behalf of the Plaintiffs and the Class. Lead Counsel for Plaintiffs will ask the Court for attorneys' fees of up to \$1,291,950 (33% of the Settlement Fund) and expenses not to exceed \$230,000, plus interest that is accrued, to be paid from the Settlement Fund. In addition, Lead Plaintiff has incurred expenses and devoted substantial effort directly related to the representation of the Class for which he will seek reimbursement not to exceed \$3,000. If the above amounts are requested and approved by the Court, the average cost per share of Broadwind common stock will be approximately \$0.047, making the estimated average recovery per share after fees and expenses approximately \$0.08 if claims are submitted for 100% of the eligible shares of Broadwind common stock.

Deadlines:

Submit Claim: July 27, 2013
Request Exclusion: June 3, 2013
File Objection: June 7, 2013

Court Hearing on Fairness of Settlement: June 27, 2013, at 10:00 a.m.¹

More Information:

Claims Administrator:	Lead Counsel for Plaintiffs:
Broadwind Securities Litigation	William B. Federman
c/o Heffler Claims Administration	FEDERMAN & SHERWOOD
P.O. Box 58938	10205 N. Pennsylvania Avenue
Philadelphia, PA 19102-8938	Oklahoma City, OK 73120
(888) 972-6589	(405) 235-1560
www.BroadwindSettlement.com	wbf@federmanlaw.com

- Your legal rights are affected whether you act or don't act. Read this Notice carefully.

YOUR LEGAL RIGHTS AND OPTIONS WITH RESPECT TO THE SETTLEMENT

SUBMIT A CLAIM	The only way to receive a payment.
OBJECT	You may write to the Court if you do not like the Settlement.
GO TO A HEARING	You may ask to speak in Court about the fairness of the Settlement.
DO NOTHING	Receive no payment.
EXCLUDE YOURSELF	Receive no payment. This is the only option that allows you to bring another lawsuit against the Defendants or Dismissed Defendants relating to the claims being released in this case.

- These rights and options — *and the deadlines to exercise them* — are explained in this Notice.
- The Court in charge of this case must decide whether to approve the Settlement. Payments will be made if the Court approves the Settlement and, if there are any appeals, after appeals are resolved. Please be patient.

¹ The Court may change this date to a later date and/or time without further written notice to you. However, any different date or time will be posted on the Claims Administrator's website: www.BroadwindSettlement.com. If you plan to attend the hearing, please check to make sure the date or time has not changed.

BASIC INFORMATION

1. Why Did I Receive This Notice Package?

You or someone in your family may have purchased Broadwind common stock during the period March 16, 2009 through August 9, 2010.

The Court sent you this Notice because you have a right to know about a proposed settlement of a class action lawsuit, and about all of your options, before the Court decides whether to approve the Settlement. If the Court approves the Settlement and after any objections or appeals are resolved, the Claims Administrator appointed by the Court will make the payments that the Settlement allows.

This package explains the lawsuit, the Settlement, your legal rights, what benefits are available, who is eligible for them, and how to get them.

The Court in charge of the case is the United States District Court for the Northern District of Illinois, Eastern Division, and the case is known as *Arthur L. Brasher, et al. v. Broadwind Energy, Inc., et al.*, Case No. 1:11-CV-00991. The individuals that sued are called the Plaintiffs. The following entities and individuals were sued: Broadwind, J. Cameron Drecoll, Stephanie K. Kushner, Matthew J. Gadow, Stephen E. Graham, Kevin E. Johnson, James M. Lindstrom, David P. Reiland, Charles H. Beynon, William T. Fejes, Terence P. Fox, Tontine Capital Partners, L.P., Tontine Capital Overseas Master Fund, L.P., Tontine Partners, L.P., Tontine Overseas Fund, Ltd., Tontine 25 Overseas Master Fund, L.P., and Jeffrey Gendell. Broadwind and J. Cameron Drecoll are called the Defendants and all other of these entities and individuals sued are called the Dismissed Defendants.

2. What Is This Lawsuit About?

This case was brought as a class action alleging that Defendants and Dismissed Defendants made false and misleading statements and omissions during the period March 16, 2009 through August 9, 2010 about weakened demand and liquidity issues facing Broadwind and about the value of Broadwind's goodwill and intangible assets. Plaintiffs assert that as a result of these false and misleading statements and omissions, the market price of Broadwind common stock was artificially and improperly inflated during the period March 16, 2009 through August 9, 2010, and that Class Members overpaid for Broadwind common stock purchased during this time period. Defendants have denied and continue to deny that they did anything wrong or that Members of the Class were damaged.

3. Why Is This a Class Action?

In a class action, one or more people called class representatives (in this case the Court has been asked to appoint Brian M. Grothues as Lead Plaintiff and class representative) sue on behalf of people who have similar claims. Here, all these people are called the Class or Class Members. One court resolves the issues for all Class Members, except for those who timely and validly exclude themselves from the Class. Judge James Zagel is in charge of this class action.

4. Why Is There a Settlement?

The Court did not decide in favor of the Plaintiffs or Defendants. Instead, both sides agreed to a settlement. That way they avoid the cost and uncertainty of a trial, and eligible Class Members who submit valid claims will receive compensation. The Plaintiffs and their attorneys think the Settlement is in the best interests of all Class Members.

WHO IS IN THE SETTLEMENT

To see if you will receive money from the Settlement, you first have to determine if you are a Class Member.

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

The Class includes *all Persons who purchased or acquired the common stock of Broadwind during the period March 16, 2009 through August 9, 2010, inclusive, and who were damaged thereby.*

6. What Are the Exceptions to Being Included?

You are not a Class Member if you are a Defendant or Dismissed Defendant; a member of a Defendant's

or Dismissed Defendant's immediate family; an entity in which any Defendant or Dismissed Defendant has or had a controlling interest; an officer or director of Broadwind; or the legal representative, heir, successor or assign of any such excluded party. You are also not a Class Member if you timely and validly request exclusion from the Class pursuant to this Notice.

If you sold Broadwind common stock during the Class Period, that alone does not make you a Class Member. You are a Class Member only if you purchased Broadwind common stock during the Class Period and were damaged thereby.

7. I'm Still Not Sure if I Am Included.

If you are still not sure whether you are included, you can ask for free help. For more information, you can contact:

Claims Administrator:

Broadwind Securities Litigation
c/o Heffler Claims Administration
P.O. Box 58938
Philadelphia, PA 19102-8938
(888) 972-6589
www.BroadwindSettlement.com

Lead Counsel for Plaintiffs:

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

Or you can fill out and return the claim form described in Question 10, to see if you qualify.

THE SETTLEMENT BENEFITS — WHAT YOU GET

8. What Does the Settlement Provide?

Defendants have agreed to cause their D&O Insurer to pay \$3.915 million in cash. The balance of this fund after payment of Court-approved attorneys' fees and expenses and the costs of claims administration, including the costs of printing and mailing this Notice and the cost of publishing newspaper notice (the "Net Settlement Fund"), will be divided among all eligible Class Members who send in valid claim forms.

9. How Much Will My Payment Be?

Your share of the Net Settlement Fund will depend on the number of valid claim forms that Class Members send in and the number of shares of Broadwind common stock you purchased during the relevant period and when you bought and sold them. As discussed above in the answer to Question 2, Plaintiffs contend that, during the Class Period, Defendants misrepresented and/or failed to disclose certain important facts about weakened demand and liquidity issues facing Broadwind and about the value of Broadwind's goodwill and intangible assets. Plaintiffs assert that, as a result, the market price of Broadwind common stock was "artificially inflated" during the Class Period and Class Members paid more for Broadwind common stock than they would have if the truth was known. The Plan of Allocation described below is based on this damage theory as well as U.S. Supreme Court decisions that limit recovery for certain purchases and sales during the Class Period.

- A. For each share of Broadwind common stock purchased between March 16, 2009 and March 11, 2010, inclusive, and:
 - 1. Sold prior to the close of trading on March 11, 2010, the Recognized Loss is \$0.00.
 - 2. Sold at a loss between March 12, 2010 and June 10, 2010, inclusive, the Recognized Loss shall be the lesser of \$0.94 per share; or the difference between the purchase price per share and the mean trading price per share beginning March 12, 2010 through the date of sale.
 - 3. Held as of the close of trading on June 10, 2010, the Recognized Loss shall be the lesser of \$0.94 per share; or the difference between the purchase price per share and \$3.68 per share, if greater than zero.
- B. The Recognized Loss for shares purchased after March 11, 2010 is \$0.00.
- C. For all purposes, the transaction date and not the settlement date shall be used as the date for determining inflation per share, eligibility to file a claim, and the calculation of recognized losses.

All purchases and sales of Broadwind common shares shall be accounted for and matched using the first-in-first-out (FIFO) method of accounting.

- D. “Short” sales will not be recognized for any amount of loss on the “cover” or purchase transaction, and no recognized loss will be computed for any such covering purchase transaction.
- E. No recognized claims will be computed for any transactions in any Broadwind securities engaged in by market makers or specialists in those Broadwind securities.

HOW YOU OBTAIN A PAYMENT — SUBMITTING A CLAIM FORM

10. How Will I Obtain a Payment?

To qualify for payment, you must be an eligible Class Member, send in a timely and valid claim form, and properly document your claim as requested in the claim form. A claim form is enclosed with this Notice. Read the instructions carefully, fill out the form, include all the documents the form requires, and sign it. You must mail your claim, postmarked no later than July 27, 2013, to:

Broadwind Securities Litigation
c/o Heffler Claims Administration
P.O. Box 58938
Philadelphia, PA 19102-8938

11. When Will I Receive My Payment?

The Court will hold a hearing on June 27, 2013, at 10:00 a.m., to decide whether to approve the Settlement. If Judge Zagel approves the Settlement, there may be appeals. It is always uncertain whether these appeals can be resolved, and resolving them can take time, perhaps several years. Everyone who sends in a claim form will be informed of the determination with respect to their claim. Please be patient.

12. What Am I Giving Up to Receive a Payment or Stay in the Class?

Unless you timely and validly exclude yourself, you are a Member of the Class, and that means that you cannot sue, continue to sue, or be part of any other lawsuit against the Defendants or Dismissed Defendants 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 you will release your claims in this case against the Defendants and Dismissed Defendants. The terms of the release are included in the claim form that is enclosed.

EXCLUDING YOURSELF FROM THE SETTLEMENT

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

13. How Do I Get Out of the Class?

To exclude yourself from the Class you must send a letter by mail stating that you want to be excluded from *Arthur L. Brasher, et al. v. Broadwind Energy, Inc., et al.*, Case No. 1:11-CV-00991. This letter must: (a) state the name, address and telephone number of the person or entity requesting exclusion; (b) state that such person or entity “requests exclusion from the Class in *Arthur L. Brasher, et al. v. Broadwind Energy, Inc., et al.*, Case No. 1:11-CV-00991”; (c) state the number of shares of Broadwind common stock that the person or entity requesting exclusion purchased and/or sold during the period March 16, 2009 through August 9, 2010, as well as the dates and prices of each such purchase and sale; and (d) be signed by such person or entity requesting exclusion or an authorized representative. A Request for Exclusion shall not be effective unless it provides all the information called for in this paragraph and is received within the time stated below, or is

otherwise accepted by the Court. You must mail your exclusion request postmarked no later than June 3, 2013, to:

Broadwind Securities Litigation
c/o Heffler Claims Administration
P.O. Box 58938
Philadelphia, PA 19102-8938

You cannot exclude yourself on the phone 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. You will not be legally bound by anything that happens in this lawsuit.

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

No. Unless you timely and validly exclude yourself, you give up any right to sue the Defendants or Dismissed Defendants for the Released Claims in this Settlement. If you have a pending lawsuit against any of the Defendants or Dismissed Defendants, speak to your lawyer in that case immediately. Remember, the exclusion deadline is June 3, 2013.

15. If I Exclude Myself, Can I Receive Money from This Settlement?

No. If you exclude yourself, do not send in a claim form. But, you may be able to sue, continue to sue, or be part of a different lawsuit involving the Released Claims against the Defendants or Dismissed Defendants.

THE LAWYERS REPRESENTING YOU

16. Do I Have a Lawyer in This Case?

The Court appointed the law firm of Federman & Sherwood to represent you and other Class Members. These lawyers are called Lead Counsel for Plaintiffs. You will not be directly charged for the services of these lawyers. If you want to be represented by your own lawyer, you may hire one at your own expense.

17. How Will the Lawyers Be Paid?

Lead Counsel for Plaintiffs will ask the Court for attorneys' fees not to exceed \$1,291,950 (33% of the Settlement Fund) and for expenses up to \$230,000, plus interest that is accrued. In addition, Lead Plaintiff has incurred expenses and devoted substantial effort directly related to the representation of the Class for which he will seek reimbursement not to exceed \$3,000. Such sums as may be approved by the Court will be paid from the Settlement Fund. Class Members are not personally liable for any such fees or expenses.

The attorneys' fees and expenses requested will be the only payment to Lead Counsel for Plaintiffs for their efforts in achieving this Settlement and for their risk in undertaking this representation on a wholly contingent basis. Lead Counsel for Plaintiffs have committed significant time and expenses in litigating this case for the benefit of the Class. To date, Lead Counsel for Plaintiffs have not been paid for their services in conducting this litigation on behalf of the Plaintiffs and the Class, nor for their substantial expenses. The fees requested will compensate Lead Counsel for Plaintiffs for their work in achieving the Settlement Fund. The Court will decide what is a reasonable fee award and may award less than the amount requested by Lead Counsel for Plaintiffs.

OBJECTING TO THE SETTLEMENT

You can tell the Court that you do not agree with the Settlement or some part of it.

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

If you are a Class Member, you can object to the Settlement if you do not like any part of it, including the Plan of Allocation and the request for attorneys' fees or expenses. To object, you must file a written objection, together with copies of all other papers and briefs supporting the objection, with the Clerk's Office at the United States District Court for the Northern District of Illinois, Eastern Division at the address set forth below on or before June 7, 2013. You must also serve the papers on Lead Counsel for Plaintiffs and on counsel for the Defendants at the addresses set forth below so that the papers are **received on or before** June 7, 2013. Be

sure to include your name, address, telephone number, your signature, documents sufficient to prove the number of shares of Broadwind common stock you purchased and sold during the period March 16, 2009 through August 9, 2010, inclusive, the dates and prices of each such purchase and/or sale, and the reasons you object. Any objection must be mailed or delivered such that it is received by *each* of the following no later than June 7, 2013:

Court:

Clerk of the Court
UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF ILLINOIS, EASTERN DIVISION
Everett McKinley Dirksen United States Courthouse
219 South Dearborn Street
Chicago, IL 60604

Lead Counsel for Plaintiffs:

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

Counsel for Defendants:

Meredith Jenkins Laval
SIDLEY AUSTIN LLP
One South Dearborn Street
Chicago, IL 60603

19. What's the Difference Between Objecting and Excluding?

Objecting is simply telling the Court that you do not like something about the Settlement. You can object *only if* you stay in the Class. Excluding yourself is telling the Court that you do not want to be part of the Class. If you exclude yourself, you have no basis to object because the case no longer affects you.

THE COURT'S FAIRNESS HEARING

The Court will hold a hearing to decide whether to approve the Settlement. You may attend and you may ask to speak, but you do not have to.

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

The Court will hold a fairness hearing at 10:00 a.m., on June 27, 2013, at the Everett McKinley Dirksen United States Courthouse, 219 South Dearborn Street, Chicago, Illinois. At this hearing the Court will consider whether the Settlement is fair, reasonable, and adequate.² The Court may move the date or time of the fairness hearing to a later date and/or time without further written notice to you. If the date or time of the fairness hearing is changed, the new date and/or time will be posted at www.BroadwindSettlement.com. If there are objections, the Court will consider them. Judge Zagel will listen to people who have asked to speak at the hearing. The Court will also consider how much to pay to Lead Counsel for Plaintiffs. The Court may decide these issues at the hearing or take them under consideration. We do not know how long these decisions will take.

21. Do I Have to Come to the Hearing?

No. Lead Counsel for Plaintiffs will answer any questions Judge Zagel may have. 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 submit your written objection on time, the Court will consider it. You may also pay your own lawyer to attend, but it is not necessary.

22. May I Speak at the Hearing?

You may ask the Court for permission to speak at the fairness hearing. To do so, you must send a letter saying that it is your intention to appear in *Arthur L. Brasher, et al. v. Broadwind Energy, Inc., et al.*, Case No. 1:11-CV-00991. Be sure to include your name, address, telephone number, your signature, and the number of shares of Broadwind common stock you purchased between March 16, 2009 and August 9, 2010, inclusive. Your notice of intention to appear must be received, no later than June 7, 2013, by the Clerk of the Court, Lead Counsel for Plaintiffs, and Defendants' counsel, at the three addresses listed in Question 18. If you intend to present evidence or witnesses, you must disclose that information and explain it in your letter. You cannot speak at the hearing if you exclude yourself from the Class.

² The papers in support of approval of the Settlement, the Plan of Allocation, and Lead Counsel for Plaintiffs fee and expense application will be submitted to the Court no later than thirty (30) calendar days prior to the Final Approval Hearing.

IF YOU DO NOTHING

23. What Happens if I Do Nothing at All?

If you do nothing, you will be a Class Member. However, you will not receive any money from this Settlement unless you submit a claim form. Unless you exclude yourself, you won't be able to start a lawsuit, continue with a lawsuit, or be part of any other lawsuit against the Defendants or Dismissed Defendants about the Released Claims in this case.

GETTING MORE INFORMATION

24. Are There More Details About the Settlement?

This Notice summarizes the proposed Settlement. More details are in the Stipulation of Settlement, dated as of March 6, 2013. You can obtain a copy of the Stipulation of Settlement by going to www.BroadwindSettlement.com or by writing to William B. Federman, Federman & Sherwood, 10205 N. Pennsylvania Ave., Oklahoma City, OK 73120, or from the Clerk's office at the United States District Court for the Northern District of Illinois, Eastern Division, 219 South Dearborn Street, Chicago, Illinois during regular business hours.

25. How Do I Get More Information?

All inquiries concerning this Notice should be directed to:

Claims Administrator:
Broadwind Securities Litigation
c/o Heffler Claims Administration
P.O. Box 58938
Philadelphia, PA 19102-8938
(888) 972-6589
www.BroadwindSettlement.com

Lead Counsel for Plaintiffs:
William B. Federman
FEDERMAN & SHERWOOD
10205 N. Pennsylvania Avenue
Oklahoma City, OK 73120
(405) 235-1560
wbf@federmanlaw.com

DO NOT TELEPHONE THE COURT REGARDING THIS NOTICE

SPECIAL NOTICE TO BANKS, BROKERS, AND OTHER NOMINEES

The Court has ordered that if you hold or held any Broadwind common stock purchased during the period March 16, 2009 through August 9, 2010, inclusive, as nominee for a beneficial owner, then, within ten (10) days after you receive this Notice, you must either: (1) send a copy of this Notice by First-Class Mail to all such Persons; or (2) provide a list of the names and addresses of such Persons to the Claims Administrator:

Broadwind Securities Litigation
c/o Heffler Claims Administration
P.O. Box 58938
Philadelphia, PA 19102-8938

If you choose to mail the Notice and Proof of Claim yourself, you may obtain from the Claims Administrator (without cost to you) as many additional copies of these documents as you will need to complete the mailing. If you do not intend to comply with the provisions of this section you are requested to notify the Claims Administrator of that fact at the address listed above.

Regardless of whether you choose to complete the mailing yourself or elect to have the mailing performed for you, you may obtain reimbursement for, or advancement of, reasonable administrative costs actually incurred or expected to be incurred in connection with forwarding this Notice and which would not have been incurred but for the obligation to forward this Notice, upon submission of appropriate documentation to the Claims Administrator.

DATED: March 29, 2013

BY ORDER OF THE COURT
UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF ILLINOIS