

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

IN RE KIT DIGITAL, INC. SECURITIES LITIGATION

Civil Action No.  
12-CV-4199 (AT)

**NOTICE OF PENDENCY OF CLASS ACTION AND PROPOSED SETTLEMENT, SETTLEMENT FAIRNESS HEARING, AND  
MOTION FOR AN AWARD OF ATTORNEYS' FEES AND REIMBURSEMENT OF LITIGATION EXPENSES**

**A Federal Court Authorized This Notice. This Is Not A Solicitation From A Lawyer.**

**TO: ALL PERSONS WHO PURCHASED OR OTHERWISE ACQUIRED THE COMMON STOCK OF KIT DIGITAL, INC. ("KIT" OR THE "COMPANY") DURING THE PERIOD FROM MAY 19, 2009 TO NOVEMBER 21, 2012, INCLUSIVE (THE "CLASS PERIOD"), AND WHO WERE ALLEGEDLY DAMAGED THEREBY<sup>1</sup>**

- **PLEASE READ THIS NOTICE CAREFULLY.**
- **IF YOU WISH TO COMMENT IN FAVOR OF THE SETTLEMENT OR OBJECT TO THE SETTLEMENT, YOU MUST FOLLOW THE DIRECTIONS IN THIS NOTICE.**
- **YOU MAY BE ELIGIBLE TO RECEIVE MONEY FROM THE SETTLEMENT OF THIS CASE.**
- **YOUR LEGAL RIGHTS MAY BE AFFECTED BY THIS LAWSUIT.**
- **TO RECEIVE MONEY FROM THIS SETTLEMENT, YOU MUST SUBMIT A VALID PROOF OF CLAIM AND RELEASE FORM ("CLAIM FORM") POSTMARKED ON OR BEFORE FEBRUARY 12, 2014.**
- **IF YOU DO NOT WISH TO PARTICIPATE IN THE SETTLEMENT, YOU MAY REQUEST TO BE EXCLUDED FROM THE SETTLEMENT BY SENDING A WRITTEN REQUEST FOR EXCLUSION THAT MUST BE POSTMARKED ON OR BEFORE NOVEMBER 19, 2013.**
- **IF YOU RECEIVED THIS NOTICE ON BEHALF OF A SETTLEMENT CLASS MEMBER WHO IS DECEASED, YOU SHOULD PROVIDE THE NOTICE TO THE AUTHORIZED LEGAL REPRESENTATIVE OF THAT SETTLEMENT CLASS MEMBER.**

YOU ARE HEREBY NOTIFIED AS FOLLOWS:<sup>2</sup>

A proposed settlement (the "Settlement") has been reached by the Parties in the constituent actions that make up the consolidated class action pending in the United States District Court for the Southern District of New York (the "District Court"), which was brought on behalf of all Persons described above (the "Settlement Class"). The District Court has preliminarily approved the Settlement, whose terms are set forth in the Stipulation which is available at [www.KITSecuritiesLitigation.com](http://www.KITSecuritiesLitigation.com), and has preliminarily certified the Settlement Class for purposes of Settlement only. You have received this Notice because the Parties' records indicate that you are a member of the Settlement Class. This Notice is designed to inform you of your rights, how you can submit a Claim Form, and how you can comment in favor of the Settlement or object to the Settlement. If the Settlement is finally approved by the District Court, the Settlement will be binding upon you, unless you exclude yourself, even if you do not submit a Claim Form to obtain money from the Net Settlement Fund and even if you object to the Settlement.

There will be a hearing on the Settlement (the "Settlement Hearing") before the Honorable Analisa Torres, United States District Court Judge, at 4:00 p.m. on December 10, 2013, in Courtroom 15D of the Daniel Patrick Moynihan United States Courthouse, 500 Pearl Street, New York, New York.

**I. BACKGROUND OF THE CASE**

On May 25, 2012, a class action complaint, captioned *McHardy v. KIT Digital, Inc., et al.*, 12 Civ. 4199 (the "McHardy Action"), was filed against KIT and certain of its former officers and directors. That complaint alleged violations of Sections 10(b) and 20(a) of the Securities Exchange Act of 1934 (the "Exchange Act") and Rule 10b-5 promulgated under Section 10(b). On July 13, 2012, a second class action complaint, captioned *FBO Stephen N. Conrad Pershing LLC as Custodian Rollover Account v. KIT Digital, Inc., et al.*, 12 Civ. 5446 (the "Pershing Action"), was filed against KIT and certain of its former officers and directors. That complaint also alleged violations of Sections 10(b) and 20(a) of the Exchange Act and Rule 10b-5 promulgated under Section 10(b). On September 28, 2012, the District Court consolidated certain related actions, including the McHardy Action and the Pershing Action, under the caption *In re KIT Digital, Inc. Securities Litigation*, 12 Civ. 4199 (the "Order"). In the Order, the District Court appointed the Houston Municipal Employees Pension System ("HMEPS") lead plaintiff and Bernstein Liebhart LLP lead counsel for the putative class in the Consolidated Action.

On November 21, 2012, KIT issued a press release, which was filed with the United States Securities and Exchange Commission (the "SEC") on Form 8-K, in which the Company stated its intention to restate its historical financial statements for the years 2009, 2010, and 2011, each of the three quarters in 2009, 2010, and 2011, and the quarters ended March 31, 2012 and June 30, 2012.

Following this disclosure, three additional complaints were filed against KIT and certain of KIT's current and former officers and directors: *Slattery v. KIT Digital, Inc.*, 12 Civ. 8732 (the "Slattery Action"); *Hughes v. KIT Digital, Inc.*, 12 Civ. 9210 (the "Hughes Action"); and *MK Capital v. KIT Digital, Inc.*, 13 Civ. 521 (the "MK Capital Action"). The complaints in the Slattery Action and the Hughes Action each alleged violations of Sections 10(b) and 20(a) of the Exchange Act and Rule 10b-5 promulgated under Section 10(b), and were brought as putative class actions. The MK Capital Action also alleged, among other things, violations of Sections 10(b)

<sup>1</sup> All capitalized terms that are not defined in this Notice have the meaning ascribed to them in the Stipulation of Settlement (the "Stipulation") dated July 30, 2013, which is available on the website established for the Settlement at [www.KITSecuritiesLitigation.com](http://www.KITSecuritiesLitigation.com).

<sup>2</sup> A copy of this Notice may be found at [www.KITSecuritiesLitigation.com](http://www.KITSecuritiesLitigation.com).

and 20(a) of the Exchange Act and Rule 10b-5 promulgated under Section 10(b). These later-filed actions were subsequently consolidated with the Consolidated Action captioned *In re KIT Digital, Inc. Securities Litigation*.

On February 1, 2013, the District Court approved a stipulation signed by all parties stating that HMEPS would file a consolidated complaint (the "Consolidated Complaint") no later than 30 days following the date on which KIT issued the restatement reflected in its November 21, 2012 Form 8-K.

Prior to the filing of the Consolidated Complaint, certain of the Parties participated in mediated settlement negotiations that included representatives of certain applicable Directors' and Officers' Corporate Liability Insurance policy carriers including, without limitation, Berkley Insurance Company and Executive Risk Specialty Insurance Company. With the mediator's assistance, the Settling Parties reached an agreement-in-principle to settle the Consolidated Action, on terms that include the use of the Defendants' Directors' and Officers' Liability Insurance Policies to fund the payment of \$6,001,999, to be paid by the Contributing Insurers for the benefit of the Settlement Class.<sup>3</sup>

On June 13, 2013, the Settling Parties entered into a binding Memorandum of Understanding (the "MOU") memorializing their agreement-in-principle to settle the Consolidated Action.

Defendants have denied the claims asserted against them in the Consolidated Action and deny having engaged in any wrongdoing or violation of law of any kind whatsoever. Defendants have agreed to the Settlement solely to eliminate the burden and expense of continued litigation. Accordingly, the Settlement may not be construed as an admission of any wrongdoing by any of the Defendants. The District Court has not ruled on the merits of whether the Defendants violated the securities laws, or any other laws or rules.

Plaintiffs and Defendants, and their counsel, have concluded that the Settlement is advantageous, considering the risks and uncertainties to each side of continued litigation. The Parties and their counsel have determined that the Settlement is fair, reasonable, and adequate and is in the best interests of the Settlement Class Members.

The Settlement creates a Gross Settlement Fund in the amount of \$6,001,999 in cash, plus interest that accrues on the fund prior to distribution, and certain rights with respect to possible claims against KIT's former auditor, Grant Thornton LLP ("Grant Thornton"). Your recovery from the Gross Settlement Fund will depend on a number of variables, including the number of shares of KIT common stock you purchased or acquired during the period from May 19, 2009 to November 21, 2012, inclusive, and the timing of your purchases, acquisitions, and sales of any such shares. Lead Plaintiff's damages expert estimates that if all eligible Claimants submit a valid Claim Form, the average distribution per damaged share<sup>4</sup> will be approximately \$.08 before deduction of Court-approved fees and expenses. Settlement Class Members should note, however, that this is only an estimate based on the overall number of potentially affected shares. Some Settlement Class Members may recover more or less than the amount estimated herein.

Plaintiffs and Defendants do not agree on the average amount of damages per share that would be recoverable if the Plaintiffs were to have prevailed in the Consolidated Action. The issues on which the Parties disagree include: (1) the amount by which shares of KIT common stock were allegedly artificially inflated (if at all) during the Class Period; (2) the effect of various market forces on the price of shares of KIT common stock at various times during the Class Period; (3) the extent to which external factors, such as general market and industry conditions, influenced the price of KIT common stock at various times during the Class Period; (4) the extent to which the various public statements that Plaintiffs alleged were materially false or misleading influenced (if at all) the price of KIT common stock at various times during the Class Period; (5) the extent to which the various allegedly adverse material facts that Plaintiffs alleged were omitted influenced (if at all) the price of KIT common stock at various times during the Class Period; and (6) whether the statements made or facts allegedly omitted were material, false, misleading, or otherwise actionable under the federal securities laws.

Plaintiffs' Counsel, who have been prosecuting this Consolidated Action on a wholly-contingent basis since its inception, have not received any payment of attorneys' fees for their representation of the Settlement Class and they have advanced the funds to pay expenses necessarily incurred to prosecute the Consolidated Action. Lead Counsel will apply to the Court for an award of attorneys' fees for all Plaintiffs' Counsel in the amount of 15% of the Gross Settlement Fund. In addition, Lead Counsel will apply for reimbursement of litigation expenses (exclusive of administration costs) paid or incurred in connection with the prosecution and resolution of the claims against the Defendants, in an amount not to exceed \$300,000 (which may include an application for reimbursement of the reasonable costs and expenses incurred by Plaintiffs directly related to their representation of the Settlement Class). Any fees and expenses awarded by the Court will be paid from the Gross Settlement Fund. Settlement Class Members are not personally liable for any such fees or expenses. If the Settlement is approved, and Lead Counsel's fee and expense application is granted in its entirety, the average cost per share of these fees and expenses will be approximately \$.015 per share of common stock.

Lead Plaintiff and the Settlement Class are being represented by Bernstein Liebhard LLP. Any questions regarding the Consolidated Action or the Settlement should be directed to Jeffrey M. Haber, Esq. or Joseph R. Seidman, Jr., Esq. at Bernstein Liebhard LLP, 10 East 40th Street, New York, NY 10016, (800) 779-1414, [info@bernlieb.com](mailto:info@bernlieb.com).

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<sup>3</sup> KIT was named as a defendant in the actions consolidated into the Consolidated Action but, because it filed a petition for bankruptcy protection on April 25, 2013, the Consolidated Action was automatically stayed against it under the United States Bankruptcy Code, 11 U.S.C. § 362(a). KIT is a settling Defendant and is being released with respect to the Consolidated Action pursuant to the terms of the Stipulation. On September 10, 2013, the Bankruptcy Court entered the Bankruptcy Court Approval Order which approved KIT's agreement to settle the Consolidated Action.

<sup>4</sup> An allegedly damaged share might have been traded more than once during the Class Period, and the indicated average recovery would be the total for all purchasers of that share.

<b>YOUR LEGAL RIGHTS AND OPTIONS IN THE SETTLEMENT:</b>	
Submit A Claim Form By February 12, 2014	This is the only way to be eligible to get a payment in connection with the Settlement.
Exclude Yourself From The Settlement Class By Submitting A Written Request Postmarked No Later Than November 19, 2013	If you exclude yourself from the Settlement Class, you will not be eligible to get any payment from the Net Settlement Fund. This is the only option that allows you to be part of any other lawsuit against any of the Defendants or the other Released Parties concerning the Released Claims (defined below).
Object To The Settlement By Submitting A Written Objection No Later Than November 19, 2013	If you do not like the proposed Settlement, the proposed Plan of Allocation, or the Fee and Expense Application, you may write to the District Court and explain why you do not like them. You cannot object to the Settlement, the Plan of Allocation, or the Fee and Expense Application unless you are a Settlement Class Member and do not exclude yourself.
Go To The Settlement Hearing On December 10, 2013 At 4:00 p.m. And File A Notice Of Intention To Appear No Later Than November 19, 2013	Filing a written objection and notice of intention to appear allows you to speak in court about the fairness of the Settlement, the Plan of Allocation, and/or the Fee and Expense Application. If you submit a written objection, you may (but do not have to) attend the hearing and speak to the District Court about your objection.
Do Nothing	If you are a member of the Settlement Class and you do not submit a Claim Form by February 12, 2014, you will not be eligible to receive any payment from the Net Settlement Fund. You will, however, remain a member of the Settlement Class, which means that you give up your right to sue about the claims that are resolved by the Settlement and you will be bound by any Judgments or Orders entered by the District Court pertaining to the class actions in the Consolidated Action.

## II. TERMS OF THE SETTLEMENT

The Stipulation setting forth the terms of the Settlement provides for the following:

### **A. Why Did I Get This Notice?**

This Notice is being sent to you pursuant to an order of the District Court because you, someone in your family, or an investment account for which you serve as a custodian may have purchased or acquired KIT common stock during the Class Period. The District Court has directed us to send you this Notice because, as a potential Settlement Class Member, you have a right to know about your options before the Court rules on the proposed Settlement. Additionally, you have the right to understand how a class action lawsuit may generally affect your legal rights. If the Court approves the Settlement and the Plan of Allocation (or some other plan of allocation), the Claims Administrator selected by Lead Plaintiff and approved by the Court will make payments pursuant to the Settlement and the court-approved Plan of Allocation after any objections and appeals are resolved. This Notice is also being sent to inform you of a hearing to be held by the District Court to consider the fairness, reasonableness, and adequacy of the Settlement, the proposed Plan of Allocation, and the Fee and Expense Application.

In a class action lawsuit, the court selects one or more people, known as class representatives, to sue on behalf of all people with similar claims, commonly known as the class or the class members. 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. In the Consolidated Action, the District Court appointed the Houston Municipal Employees Pension System to serve as "Lead Plaintiff" under a federal law governing lawsuits such as this one, and approved Lead Plaintiff's selection of the law firm of Bernstein Liebhard LLP to serve as Lead Counsel ("Lead Counsel"). The Court has preliminarily certified the Consolidated Action to proceed as a class action for settlement purposes only and preliminarily certified the Lead Plaintiff and plaintiff James Slattery (collectively, "Plaintiffs") as representatives for the Settlement Class.

This Notice does not express any opinion by the District Court concerning the merits of any claim in the Consolidated Action. Although the Bankruptcy Court has entered the Bankruptcy Court Approval Order, the District Court still has to decide whether to approve the Settlement. If the Court approves the Settlement and the Plan of Allocation, payments to Authorized Claimants will be made after any appeals are resolved, and after the completion of all claims processing. Please be patient.

### **B. What Does The Settlement Provide?**

The Contributing Insurers are paying \$6,001,999 in cash, which will earn interest for the benefit of the Settlement Class (the "Gross Settlement Fund"). In addition, the Settlement Class is receiving certain rights with respect to possible claims against KIT's former auditor, Grant Thornton.

### **C. Am I Included In The Settlement?**

You are included in the Settlement if you purchased or otherwise acquired shares of KIT common stock during the Class Period and were damaged thereby.

Excluded from the Settlement Class are Defendants, the officers and directors of the Company, members of the Individual Defendants' immediate families, and any Person, firm, trust, corporation, officer, director, or other individual or entity in which any Defendant has, had, or will have a controlling interest or which is related to or affiliated with, through ownership of a controlling interest or common ownership of a controlling interest, any Defendant; also excluded from the Class are the legal representatives, heirs, administrators, successors-in-interest, or assigns of any such excluded party.

**PLEASE NOTE: RECEIPT OF THIS NOTICE DOES NOT MEAN THAT YOU ARE A SETTLEMENT CLASS MEMBER OR THAT YOU WILL BE ENTITLED TO RECEIVE PROCEEDS FROM THE SETTLEMENT. IF YOU ARE A SETTLEMENT CLASS MEMBER AND YOU WISH TO BE ELIGIBLE TO PARTICIPATE IN THE DISTRIBUTION OF PROCEEDS FROM THE SETTLEMENT, YOU ARE REQUIRED TO SUBMIT THE CLAIM FORM THAT IS BEING DISTRIBUTED WITH THIS NOTICE AND THE REQUIRED SUPPORTING DOCUMENTATION AS SET FORTH THEREIN POSTMARKED NO LATER THAN FEBRUARY 12, 2014.**

**D. What Might Happen If There Were No Settlement?**

If there were no Settlement and Plaintiffs failed to establish any essential legal or factual element of their claims against the Defendants, neither they nor the Settlement Class would recover anything from the Defendants. Also, if the Defendants were successful in proving any of their defenses, the Settlement Class could recover substantially less than the amounts provided in the Settlement, or nothing at all. Additionally, there were limits on the insurance coverage available for the Defendants. Moreover, the insurance coverage available to the Defendants is a wasting asset. The ongoing prosecution of the Consolidated Action against the Individual Defendants, along with other costs being paid from these policies in connection with other ongoing litigation, is depleting the amount of available insurance coverage. Thus, even if Plaintiffs would have prevailed at trial and on the appeal that would have followed, by the time Plaintiffs could seek to enforce the judgment, the insurance coverage would have been materially depleted, if not exhausted entirely. Thus, a victory at trial or on appeal against the Defendants could well have resulted in a smaller recovery or no recovery at all.

**E. What Is The Legal Effect Of The Settlement On My Rights?**

If you are a member of the Settlement Class, the Settlement will affect you. If the District Court grants final approval of the Settlement, the Consolidated Action will be dismissed with prejudice and all Settlement Class Members will fully release and discharge the Defendants from all claims for relief arising out of or based on Plaintiffs' allegations. When a Person "releases" claims, that means that Person cannot sue the defendants for any of the claims covered by the release. If you are a Settlement Class Member and you submit a valid and timely Claim Form, you will receive a payment based upon the distribution formula described below.

**F. What Will I Receive From The Settlement?**

At this time, it is not possible to make any determination as to how much a Settlement Class Member may receive from the Settlement.

Pursuant to the Settlement, the Contributing Insurers have agreed to pay \$6,001,999 million in cash. The settlement amount will be deposited into an interest-bearing escrow account. If the Settlement is approved by the District Court, the Net Settlement Fund (i.e., the Gross Settlement Fund less (a) all federal, state, and local taxes on any income earned by the Gross Settlement Fund and the reasonable costs incurred in connection with determining the amount of and paying taxes owed by the Gross Settlement Fund (including reasonable expenses of tax attorneys and accountants); (b) the costs and expenses incurred in connection with providing Notice to Settlement Class Members and administering the Settlement on behalf of Settlement Class Members; and (c) any attorneys' fees and expenses awarded by the District Court) will be distributed to Settlement Class Members as set forth in the proposed Plan of Allocation, or such other plan as the District Court may approve.

After approval of the Settlement by the District Court, and upon satisfaction of the other conditions to the Settlement, the Net Settlement Fund will be distributed to Authorized Claimants in accordance with the Plan of Allocation approved by the District Court. The Net Settlement Fund will not be distributed until the District Court has approved a plan of allocation, and the time for any petition for rehearing, appeal, or review, whether by certiorari or otherwise, has expired.

Neither the Defendants nor any other Person that paid any portion of the Gross Settlement Amount is entitled to get back any portion of the Net Settlement Fund once the District Court's Final Approval Order and Judgment approving the Settlement becomes final. The Defendants will not have any liability, obligation, or responsibility for the administration of the Settlement or disbursement of the Net Settlement Fund or the Plan of Allocation.

Approval of the Settlement is independent from approval of the Plan of Allocation. Any determination with respect to the Plan of Allocation will not affect the Settlement, if approved.

Each Person wishing to participate in the distribution must timely submit a valid Claim Form establishing membership in the Settlement Class, and including all required documentation, postmarked on or before February 12, 2014, to the address set forth in the Claim Form that accompanies this Notice.

Unless the District Court otherwise orders, any Settlement Class Member who fails to submit a Claim Form postmarked on or before February 12, 2014, 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.

The District Court has reserved jurisdiction to allow, disallow, or adjust the Claim of any Settlement Class Member on equitable grounds.

Each Claimant shall be deemed to have submitted to the jurisdiction of the District Court with respect to his, her, or its Claim Form. Upon request of the Claims Administrator, each Person that submits a Claim Form shall subject his, her, or its Claim to investigation as to his, her, or its status as a Claimant and the allowable amount of his, her, or its Claim.

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 Claim Form.

### **Proposed Plan Of Allocation**

The Net Settlement Fund will be distributed to Settlement Class Members who submit valid, timely Claim Forms. If you have a net Recognized Loss on all transactions in KIT common stock during the Class Period, you will be paid the percentage of the Net Settlement Fund that your Recognized Loss bears to the total of the Recognized Losses of all Authorized Claimants. Payment in this manner shall be deemed conclusive against all Authorized Claimants.

Each Authorized Claimant's Recognized Loss will be calculated as follows.

1. For each share of KIT common stock purchased between May 19, 2009 and March 14, 2012, inclusive, and:
  - a) Sold prior to the close of trading on March 14, 2012, the Recognized Loss is \$0.00.
  - b) Sold at a loss between March 15, 2012 and March 22, 2012, the Recognized Loss shall be the lesser of \$0.82 per share; or the difference between the purchase price per share and the sale price per share.
  - c) Sold at a loss between March 23, 2012 and May 2, 2012, the Recognized Loss shall be the lesser of \$2.72 per share; or the difference between the purchase price per share and the sale price per share.
  - d) Sold at a loss between May 3, 2012 and November 21, 2012, the Recognized Loss shall be the lesser of \$4.10 per share; or the difference between the purchase price per share and the sale price per share.
  - e) Sold at a loss between November 22, 2012 and February 19, 2013, the Recognized Loss shall be the lesser of \$5.57 per share; or the difference between the purchase price per share and the mean trading price per share beginning November 22, 2012 through the date of sale.
  - f) Held as of the close of trading on February 19, 2013, the Recognized Loss shall be the lesser of \$5.57 per share; or the difference between the purchase price per share and \$0.48 per share, if greater than zero.<sup>5</sup>
2. For each share of KIT common stock purchased between March 15, 2012 and March 22, 2012, inclusive, and:
  - a) Sold prior to the close of trading on March 22, 2012, the Recognized Loss is \$0.00.
  - b) Sold at a loss between March 23, 2012 and May 2, 2012, the Recognized Loss shall be the lesser of \$1.90 per share; or the difference between the purchase price per share and the sale price per share.
  - c) Sold at a loss between May 3, 2012 and November 21, 2012, the Recognized Loss shall be the lesser of \$3.28 per share; or the difference between the purchase price per share and the sale price per share.
  - d) Sold at a loss between November 22, 2012 and February 19, 2013, the Recognized Loss shall be the lesser of \$4.75 per share; or the difference between the purchase price per share and the mean trading price per share beginning November 22, 2012 through the date of sale.
  - e) Held as of the close of trading on February 19, 2013, the Recognized Loss shall be the lesser of \$4.75 per share; or the difference between the purchase price per share and \$0.48 per share, if greater than zero.
3. For each share of KIT common stock purchased between March 23, 2012 and May 2, 2012, inclusive, and:
  - a) Sold prior to the close of trading on May 2, 2012, the Recognized Loss is \$0.00.
  - b) Sold at a loss between May 3, 2012 and November 21, 2012, the Recognized Loss shall be the lesser of \$1.38 per share; or the difference between the purchase price per share and the sale price per share.
  - c) Sold at a loss between November 22, 2012 and February 19, 2013, the Recognized Loss shall be the lesser of \$2.85 per share; or the difference between the purchase price per share and the mean trading price per share beginning November 22, 2012 through the date of sale.
  - d) Held as of the close of trading on February 19, 2013, the Recognized Loss shall be the lesser of \$2.85 per share; or the difference between the purchase price per share and \$0.48 per share, if greater than zero.
4. For each share of KIT common stock purchased between May 3, 2012 and November 21, 2012, inclusive, and:
  - a) Sold prior to the close of trading on November 21, 2012, the Recognized Loss is \$0.00.
  - b) Sold at a loss between November 22, 2012 and February 19, 2013, the Recognized Loss shall be the lesser of \$1.47 per share; or the difference between the purchase price per share and the mean trading price per share beginning November 22, 2012 through the date of sale.
  - c) Held as of the close of trading on February 19, 2013, the Recognized Loss shall be the lesser of \$1.47 per share; or the difference between the purchase price per share and \$0.48 per share, if greater than zero.

#### **90-Day Mean Trading Price**

11/22/2012	Holiday	1/11/2013	\$0.54
11/23/2012	\$0.74	1/14/2013	\$0.54
11/26/2012	\$0.68	1/15/2013	\$0.53
11/27/2012	\$0.66	1/16/2013	\$0.53
11/28/2012	\$0.67	1/17/2013	\$0.52
11/29/2012	\$0.67	1/18/2013	\$0.52

<sup>5</sup> Pursuant to Section 21(D)(e)(1) of the Private Securities Litigation Reform Act of 1995, "in any private action arising under this title in which the plaintiff seeks to establish damages by reference to the market price of a security, the award of damages to the plaintiff shall not exceed the difference between the purchase or sale price paid or received, as appropriate, by the plaintiff for the subject security and the mean trading price of that security during the 90-day period beginning on the date on which the information correcting the misstatement or omission that is the basis for the action is disseminated." \$0.48 was the mean closing price of KIT common stock during the 90-day period beginning on November 22, 2012 and ending on February 19, 2013.

11/30/2012	\$0.69	1/22/2013	\$0.52
12/3/2012	\$0.69	1/23/2013	\$0.51
12/4/2012	\$0.70	1/24/2013	\$0.51
12/5/2012	\$0.70	1/25/2013	\$0.50
12/6/2012	\$0.70	1/28/2013	\$0.50
12/7/2012	\$0.70	1/29/2013	\$0.50
12/10/2012	\$0.70	1/30/2013	\$0.50
12/11/2012 <sup>6</sup>	\$0.70	1/31/2013	\$0.49
12/21/2012	\$0.66	2/1/2013	\$0.49
12/24/2012	\$0.63	2/4/2013	\$0.49
12/26/2012	\$0.61	2/5/2013	\$0.49
12/27/2012	\$0.60	2/6/2013	\$0.49
12/28/2012	\$0.59	2/7/2013	\$0.48
12/31/2012	\$0.59	2/8/2013	\$0.48
1/2/2013	\$0.58	2/11/2013	\$0.48
1/3/2013	\$0.58	2/12/2013	\$0.48
1/4/2013	\$0.57	2/13/2013	\$0.48
1/7/2013	\$0.56	2/14/2013	\$0.48
1/8/2013	\$0.55	2/15/2013	\$0.48
1/9/2013	\$0.55	2/19/2013	\$0.48
1/10/2013	\$0.54		

The date of purchase or sale is the “contract” or “trade” date as distinguished from the “settlement” date.

For Authorized Claimants who held shares at the beginning of the Class Period or made multiple purchases or sales during the Class Period, the first-in, first-out (“FIFO”) method will be applied to such holdings, purchases, and sales for purposes of calculating a Recognized Loss. Under the FIFO method, sales of shares during the Class Period will be matched, in chronological order, first against shares held at the beginning of the Class Period, and any remaining shares sold during the Class Period will then be matched, in chronological order, against shares purchased during the Class Period.

An Authorized Claimant will be eligible to receive a distribution from the Net Settlement Fund only if the Authorized Claimant had a net loss, after all profits from transactions in KIT common stock during the Class Period are subtracted from all losses. However, the proceeds from sales of stock which have been matched against stock held at the beginning of the Class Period will not be used in the calculation of such net loss.

If an Authorized Claimant's distribution amount calculates to less than \$10.00, no distribution will be made to that Authorized Claimant.

Distributions will be made to Authorized Claimants after all Claims have been processed and after the District Court has finally approved the Settlement. If there is any balance remaining in the Net Settlement Fund six months from the date of distribution of the Net Settlement Fund by reason of un-cashed distributions or otherwise, then, after the Claims Administrator has made reasonable efforts to have Authorized Claimants cash their distributions, and it is economically feasible, any balance remaining in the Net Settlement Fund shall be redistributed to Authorized Claimants who have cashed their initial distributions and who would receive at least \$10.00 from such redistribution after the payment of any taxes and unpaid costs or fees incurred in administering the Net Settlement Fund for such redistribution. If, after six months following such redistribution funds still remain in the Net Settlement Fund, the outstanding balance shall be donated to a non-sectarian, not-for-profit 501(c)(3) organization serving the public interest, designated by Lead Plaintiff and approved by the District Court.

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

The Plan of Allocation set forth herein is the plan that is being proposed by Lead Plaintiff and Lead Counsel to the District Court for approval. The District Court may approve this Plan of Allocation as proposed or it may modify the Plan of Allocation without further notice to the Settlement Class. Any orders regarding a modification of the Plan of Allocation will be posted on the settlement website, [www.KITSecuritiesLitigation.com](http://www.KITSecuritiesLitigation.com).

<sup>6</sup> KIT stock was halted from trading between 12/12/12 and 12/20/12.

**G. Can I Decide To Opt Out Of This Settlement?**

Yes. If you do not wish to be included in the Settlement Class and you do not wish to participate in the Settlement, you may request to be excluded. To do so, you must submit a written request for exclusion that must be signed by you or your authorized representative and postmarked on or before November 19, 2013. You must set forth: (a) the name, address, and telephone number of the Person requesting exclusion; (b) the number of shares of KIT common stock the Person purchased or acquired during the Class Period along with the dates and prices of such purchase(s) or acquisition(s), and the number of shares the Person sold during the Class Period along with the dates and prices of such sales; and (c) a statement that the Person wishes to be excluded from the Settlement Class.

The exclusion request should be addressed as follows:

*In re KIT digital, Inc. Securities Litigation*  
EXCLUSION REQUEST  
c/o GCG  
P.O. Box 9989  
Dublin, OH 43017-5989

**NO REQUEST FOR EXCLUSION WILL BE CONSIDERED VALID UNLESS ALL OF THE INFORMATION DESCRIBED ABOVE IS INCLUDED IN ANY SUCH REQUEST.**

If you timely and validly request exclusion from the Settlement Class, (a) you will be excluded from the Settlement Class, (b) you will not share in the proceeds of the Settlement described herein, (c) you will not be bound by any judgment entered in the case, and (d) you will not be precluded, by reason of your decision to request exclusion from the Settlement Class, from otherwise prosecuting an individual claim, if timely, against the Defendants based on the matters complained of in the litigation. The Defendants may withdraw from and terminate the Settlement if Settlement Class Members who purchased in excess of a certain amount of KIT common stock exclude themselves from the Settlement Class.

**H. Will The Settlement Affect Any Individual Claim That I Might Have In The Bankruptcy Proceedings?**

The Settlement will affect only the Released Claims. The Settlement will not in any way release, impair, or otherwise impact any claim or right to recovery of any Settlement Class Member individually in the Bankruptcy Proceedings based solely upon his, her, or its status as a holder or beneficial owner of an equity security with respect to their rights to participate in the distribution of funds in the Bankruptcy Proceedings upon confirmation of a plan of reorganization or otherwise solely to the extent that such distribution is being made on account of such equity security.

**I. 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 Settlement Class Member.

**J. What If I Bought KIT Stock On Someone Else's Behalf?**

If you purchased or otherwise acquired KIT common stock during the Class Period for the beneficial interest of a Settlement Class Member, you must either (a) send copies of the Notice and Claim Form to the beneficial owners of the stock within five business 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 owners within five business days from the receipt of the Notice, in which event the Claims Administrator will promptly mail the Notice and Claim Form to such beneficial owners. The Claims Administrator will provide nominees with additional copies of the Notice and Claim Form 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 Claim Forms by providing the Claims Administrator with proper documentation supporting the expenses for which reimbursement is sought.

Copies of this Notice and the Claim Form can be obtained from the website maintained by the Claims Administrator, [www.KITSecuritiesLitigation.com](http://www.KITSecuritiesLitigation.com), by calling the Claims Administrator toll-free at 1-800-231-1815, or from Lead Counsel's website, [www.bernlieb.com](http://www.bernlieb.com).

**K. How And What Do I Do To Make Sure The Claims Administrator Has My Correct Address?**

If your address changes from the address to which this Notice was directed, you must notify the Claims Administrator of your new address as soon as possible. Failure to keep the Claims Administrator informed of your address may result in the loss of any monetary award you might be eligible to receive. Please send your new contact information to the Claims Administrator at the address listed below and include your old address, new address, new telephone number, date of birth, and Social Security Number. These last two items are required so that the Claims Administrator can verify that the address change is from an actual Settlement Class Member.

*In re KIT digital, Inc. Securities Litigation*  
ADDRESS CHANGE  
c/o GCG  
P.O. Box 9989  
Dublin, OH 43017-5989

**L. What Are The Plaintiffs Being Paid?**

Plaintiffs will receive only their proportionate share of the recovery, the same as all other Settlement Class Members. However, Lead Counsel may apply for the reimbursement of the reasonable costs and expenses incurred by Plaintiffs in connection

with the prosecution and resolution of the Consolidated Action as part of Lead Counsel's Fee and Expense Application.

**M. What Are Plaintiffs' Counsel's Fees And Costs?**

At the Settlement Hearing, Plaintiffs' Counsel will request that the District Court award attorneys' fees of 15% of the Gross Settlement Fund, plus expenses (exclusive of administration costs) not to exceed \$300,000 which were incurred in connection with the litigation of the Consolidated Action, plus interest thereon, which may include the reasonable costs and expenses incurred by Plaintiffs directly related to their representation of the Settlement Class. Whatever amount is approved by the Court as legal fees and expenses will be paid from the Gross Settlement Fund.

To date, Plaintiffs' Counsel have not received any payment for their services in conducting this action, nor has counsel been reimbursed for their substantial expenses. The fees requested by Plaintiffs' Counsel will compensate Plaintiffs' Counsel for their efforts in achieving the Gross Settlement Fund for the benefit of the Settlement Class, and for their risk in undertaking this representation on a wholly-contingent basis. If the amount requested is approved by the Court, the average cost per damaged share will be \$.015.

**III. PLAINTIFFS' AND PLAINTIFFS' COUNSEL SUPPORT THE SETTLEMENT**

Plaintiffs and their Counsel believe that the claims asserted against the Defendants have merit. Plaintiffs and their Counsel recognize, however, the expense and length of continued proceedings necessary to pursue their claims against these Defendants through trial and appeals, as well as the difficulties in establishing liability and damages at trial. Plaintiffs and their Counsel have also taken into account the possibility that the claims asserted in the Consolidated Action might have been dismissed in response to various motions the Defendants were expected to make, including a motion to dismiss and a motion for summary judgment, and have considered issues that would have been decided by a jury in the event of a trial of the Consolidated Action, including whether certain of the Defendants acted with an intent to mislead investors, whether all of the Settlement Class Members' losses were caused by the alleged misrepresentations or omissions and the amount of damages. Plaintiffs and their Counsel have considered the uncertain outcome and trial risk in complex lawsuits like this one, and that, even if they were successful, after the resolution of the appeals that were certain to be taken (which could take years to resolve), there may not be any funds in an amount significantly larger or even as much as the settlement amount. The Consolidated Action has been stayed against KIT because of the Company's filing for bankruptcy, and the Individual Defendants' ability to pay, especially given the limits on available insurance coverage and the fact that the insurance coverage provided to these defendants by the directors' and officers' policies was a "wasting asset" which would have continued to be depleted by the costs of this and other ongoing litigation, were significant factors that Plaintiffs considered in connection with entering into the Settlement.

In light of the value of the Settlement and the immediacy of a cash recovery to the Settlement Class, Plaintiffs and their Counsel believe that the proposed Settlement is fair, reasonable, and adequate. Indeed, Plaintiffs and their Counsel believe that the Settlement achieved is an excellent result and in the best interests of the Settlement Class. The Settlement, which provides an immediate \$6,001,999 in cash (less the various deductions described in this Notice), individually and collectively provide substantial benefits now as compared to the risk that a similar, smaller, or no recoveries would be achieved after a trial and appeals, possibly years in the future.

**IV. WHAT OPPORTUNITY WILL I HAVE TO GIVE MY OPINION ABOUT THE SETTLEMENT?**

**A. How Can I Object To The Settlement, Plan of Allocation and Fee and Expense Application?**

If you wish to object to the Settlement, Plan of Allocation, and/or the Fee and Expense Application you may submit a written statement of the objection to the Claims Administrator at the address in the following paragraph. Your written objection should include all reasons for the objection. The objection must also include your name, address, telephone number, and the number of shares of KIT common stock you purchased or acquired during the Class Period, including proof of your purchase or acquisition of KIT common stock.

To be considered, your objection must be filed no later than November 19, 2013, to:

*In re KIT digital, Inc. Securities Litigation*  
OBJECTIONS  
c/o GCG  
P.O. Box 9989  
Dublin, OH 43017-5989

You may file a written objection without having to appear at the Settlement Hearing. 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 Settlement, 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 Settlement, the 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 District 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 Plaintiffs' Fee and Expense Application.**

## **B. What Rights Am I Giving Up By Remaining In The Class?**

If you remain in the Settlement Class, you will be bound by any orders issued by the District Court. For example, if the District Court approves the Settlement, the District Court will enter the Final Approval Order and Judgment. The Final Approval Order and Judgment will dismiss with prejudice the claims against the Defendants and will provide that, upon the Effective Date of the Settlement, Plaintiffs and each of the other members of the Settlement Class on behalf of themselves, their respective heirs, executors, administrators, predecessors, successors, and assigns, among others, shall be deemed by operation of law to have fully granted and completely discharged, dismissed with prejudice, settled and released, and agreed to be barred by a permanent injunction from the assertion of, Released Claims against any of the Released Parties and their attorneys. The Settlement will not release any claims that individual Settlement Class Members might have in the Bankruptcy Court Proceedings based solely upon their status as holders of KIT equity securities.

“Released Claims” means any and all manner of claims, demands, rights, liabilities, losses, obligations, duties, damages, costs, debts, expenses, interest, penalties, sanctions, fees, attorneys’ fees, actions, potential actions, causes of action, suits, judgments, decrees, matters, as well as issues and controversies of any kind, whether known or unknown, disclosed or undisclosed, accrued or unaccrued, apparent or unapparent, foreseen or unforeseen, suspected or unsuspected, fixed or contingent, including Unknown Claims, that Plaintiffs or any and all members of the Settlement Class ever had, now have, or may have, or otherwise could, can, or might assert, whether direct, individual, class, representative, legal, equitable, or of any other type, in their capacity as stockholders of KIT, against any of the Released Parties, whether based on state, local, foreign, federal, statutory, regulatory, common, or other law or rule (including, but not limited to, any claims under federal securities laws or state common law), which, now or hereafter, are based upon, arise out of, relate in any way to, or involve, directly or indirectly, any of the actions, transactions, occurrences, statements, representations, misrepresentations, omissions, allegations, facts, practices, events, claims, or any other matters, that were, could have been, or in the future can or might be alleged, asserted, set forth, or claimed in connection with the Consolidated Action or the subject matter of the Consolidated Action in any court, tribunal, forum, or proceeding, including, without limitation, any and all claims that are based upon, arise out of, relate in any way to, or involve, directly or indirectly, (i) the Company’s accounting policies and practices during the Class Period; (ii) the Company’s acquisition and integration of assets during the Class Period; (iii) the Company’s public statements and SEC filings during the Class Period which arise out of or relate in any way to the subject matter of the Consolidated Action; (iv) the Company’s stated intent to restate (or the actual restatement of) certain of its prior financial statements; (v) actions taken by the Individual Defendants during the Class Period which arise out of or relate in any way to the subject matter of the Consolidated Action; (vi) any transaction in KIT securities by any Defendant or affiliated entity during the Class Period; and (vii) public statements made by the Individual Defendants during the Class Period which arise out of or relate in any way to the subject matter of the Consolidated Action; *provided, however*, that the Released Claims shall not include (i) the right to enforce the Stipulation of Settlement; (ii) the right to enforce any confidentiality agreement to which the Parties may enter into in connection with providing Confirmatory Discovery; and (iii) the right to enforce the claims preserved for the Settlement Class Members in the Bankruptcy Proceeding (based solely on their status as current holders of various debt or equity securities of KIT) as set forth in Paragraph 98 of the Stipulation.

“Released Parties” means, whether or not each or all of the following Persons were named in the Consolidated Action or any related suit, (i) any and all Defendants; (ii) any Person which is, was, or will be related to or affiliated with any or all of the Defendants or in which any or all of the Defendants has, had, or will have a controlling interest, including, but not limited to, Costa Brava Partnership III L.P., JEC Capital Partners, LLC, KIT Media Ltd., KIT Capital LLC, and KIT Capital, Ltd.; and (iii) the respective past or present direct or indirect family members, spouses, heirs, trusts, trustees, executors, estates, administrators, beneficiaries, distributees, foundations, agents, employees, fiduciaries, general partners, limited partners, partnerships, joint ventures, affiliated investment funds, affiliated investment vehicles, affiliated investment managers, affiliated investment management companies, member firms, corporations, parents, subsidiaries, divisions, affiliates, associated entities, stockholders, principals, officers, directors, managing directors, members, managers, predecessors, predecessors-in-interest, successors, successors-in-interest, assigns, bankers, underwriters, brokers, dealers, lenders, attorneys, insurers, co-insurers, re-insurers, and associates of each and all of the foregoing.

“Unknown Claims” means any claim that Plaintiffs or any members of the Settlement Class does not know or suspect exists in his, her, or its favor at the time of the release of the Released Claims as against the Released Parties, including, without limitation, those claims which, if known, might have affected the decision to enter into the Stipulation. With respect to any of the Released Claims, the Parties stipulate and agree that upon final approval of the Settlement, Plaintiffs shall expressly and each member of the Settlement Class shall be deemed to have waived, relinquished, and released any and all provisions, rights, and benefits conferred by or under California Civil Code § 1542 or any law of the United States or any state of the United States, or principle of common law, which is similar, comparable, or equivalent to California Civil Code § 1542, which provides:

**A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.**

Plaintiffs acknowledge, and the members of the Settlement Class by operation of law shall be deemed to have acknowledged, that they may discover facts in addition to or different from those now known or believed to be true with respect to the Released Claims, but that it is the intention of Plaintiffs, and by operation of law the members of the Settlement Class, to completely, fully, finally, and forever extinguish any and all Released Claims, known or unknown, suspected or unsuspected, which now exist, or previously existed, or may hereafter exist, and without regard to the subsequent discovery of additional or different facts. Plaintiffs acknowledge, and the members of the Settlement Class by operation of law shall be deemed to have acknowledged, that the inclusion of Unknown Claims in the definition of Released Claims was separately bargained for, was a material element of the Settlement, and was relied upon by each and all of the Defendants in entering into the Stipulation.

The Final Approval Order and Judgment will also provide that, upon the Effective Date of the Settlement, each Defendant, on behalf of himself or itself, his or its heirs, executors, administrators, predecessors, successors, and assigns, shall be deemed by

operation of law to have fully granted and completely discharged, dismissed with prejudice, settled and released, and agreed to be barred by a permanent injunction from the assertion of Released Defendants' Claims against Plaintiffs, Plaintiffs' Counsel and the other members of the Settlement Class and their respective counsel.

"Released Defendants' Claims" means any and all claims, rights, liabilities, or causes of action, whether based on federal, state, local, statutory, or common law or any other law, rule, or regulation, including both known claims and Unknown Claims, that have been or could have been asserted in the Consolidated Action or any forum by the Defendants or Released Parties, against any of the Plaintiffs and Plaintiffs' Counsel, other members of the Settlement Class or their respective attorneys, which arise out of or relate in any way to the institution, prosecution, defense, and the settlement of the Consolidated Action; *provided, however*, that the release of Plaintiffs and Plaintiffs' Counsel, and Settlement Class Members and their counsel, shall not include the right to enforce the Stipulation or any confidentiality agreement to which the Parties may enter into in connection with providing Confirmatory Discovery. Released Defendants' Claims also do not include, release, bar, or waive claims against any Person who submits a request for exclusion from the Settlement Class and who does not withdraw his, her, or its request for exclusion and whose request is accepted by the District Court.

#### V. SETTLEMENT HEARING

The District Court will hold a Settlement Hearing at 4:00 p.m. on December 10, 2013 in Courtroom 15D of the United States District Court for the Southern District of New York, Daniel Patrick Moynihan United States Courthouse, 500 Pearl Street, New York, NY 10007, to determine whether the Settlement should be finally approved as fair, reasonable, and adequate. The District Court will also be asked to approve the proposed Plan of Allocation and the Fee and Expense Award. The District 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.

**Settlement Class Members do not need to attend the Settlement Hearing. The District 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. You can participate in the Settlement without attending the Settlement Hearing. You are not obligated to attend the Settlement Hearing.**

#### VI. GETTING MORE INFORMATION

This Notice is a summary and does not describe all of the details of the Stipulation. For precise terms and conditions of the Settlement, you may review the Stipulation filed with the District Court, as well as the other pleadings and records of this litigation, which may be inspected during business hours, at the office of the Clerk of the Court, United States District Court, Southern District of New York, Daniel Patrick Moynihan United States Courthouse, 500 Pearl Street, New York, NY 10007, at [www.KITSecuritiesLitigation.com](http://www.KITSecuritiesLitigation.com), or from Lead Counsel's website, [www.bernlieb.com](http://www.bernlieb.com). Settlement Class Members without access to the internet may be able to review this document on-line at locations such as a public library.

If you have any questions about the settlement of the Consolidated Action, you may contact Lead Counsel:

Jeffrey M. Haber  
Joseph R. Seidman, Jr.  
BERNSTEIN LIEBHARD LLP  
10 East 40th Street  
New York, New York 10016  
(212) 779-1414  
[info@bernlieb.com](mailto:info@bernlieb.com)

You may also call or write to the Claims Administrator at *In re KIT digital, Inc. Securities Litigation*, c/o GCG, PO Box 9989, Dublin, Ohio 43017-5989, or call (800) 231-1815, stating that you are requesting assistance regarding the KIT litigation.

#### **DO NOT TELEPHONE THE DISTRICT COURT REGARDING THIS NOTICE.**

DATED: October 15, 2013

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