

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK

HAROLD KLEIMAN, Individually and On Behalf of All  
Others Similarly Situated,

Plaintiff,

vs.

RHI ENTERTAINMENT, INC., ROBERT A. HALMI,  
JR., and WILLIAM J. ALIBER,

Defendants.

Civil Action No. 1:09-cv-08634 (AKH)

**NOTICE OF: (1) PENDENCY AND PROPOSED SETTLEMENT OF  
CLASS ACTION, AND (2) HEARING ON PROPOSED SETTLEMENT**

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

**NOTICE OF PENDENCY OF CLASS ACTION:** Please be advised that your rights may be affected by a class action lawsuit pending in this Court (the "Action") if you purchased or otherwise acquired the common stock of RHI Entertainment, Inc. ("RHI" or the "Company") pursuant and/or traceable to RHI's initial public offering on or about June 19, 2008.

**NOTICE OF SETTLEMENT:** Please also be advised that Lead Plaintiff, on behalf of the Class (as defined below), has reached a proposed Settlement (the "Settlement") for a total of \$2.5 million in cash that will resolve all of the claims asserted in the Action against Defendants (as defined below).

*This Notice explains important rights you may have, including your possible receipt of cash from the Settlement. Your legal rights will be affected whether or not you act. Please read this Notice carefully!*

1. **Statement of Class's Recovery:** Pursuant to the Settlement described herein, a Settlement Amount consisting of \$2.5 million in cash has been deposited in an interest bearing Escrow Account for the benefit of the Class. As discussed below, claims were asserted under the Securities Act of 1933 (the "Securities Act"). A Class Member's actual recovery will be determined in accordance with the Plan of Allocation set forth on pages 4-6 below, if the Court approves the plan. The Court may modify the proposed Plan of Allocation or adopt a different plan, without further notice to the Class.
2. **Security and Time Period:** RHI common stock (stock symbol: RHIEQ.PK) purchased or acquired pursuant and/or traceable to RHI's initial public offering on or about June 19, 2008 ("IPO") through November 6, 2008, inclusive (the "Class Period").
3. **Settlement Fund:** \$2,500,000 in cash. Your recovery will depend on the number of shares of RHI common stock you, and other Class Members who file claims, purchased or acquired. The estimated average recovery per share of common stock will be approximately \$0.19 per damaged share before deduction of Court-approved fees and expenses and costs of notice and claims administration.
4. **Identification of Attorneys' Representatives:** Lead Plaintiff and the Class are being represented by Robbins Geller Rudman & Dowd LLP, Court-appointed Lead Counsel. Any questions regarding the Settlement should be directed to: Rick Nelson, c/o Shareholder Relations, Robbins Geller Rudman & Dowd LLP, 655 West Broadway, Suite 1900, San Diego, CA 92101; (619)231-1058. Please do not call any representative of the Defendants or the Court.
5. **Attorneys' Fees and Expenses:** Lead Counsel have not received any payment for their work or expenses incurred in investigating the facts, conducting this litigation, and negotiating the Settlement on behalf of the Lead Plaintiff and the Class. Lead Counsel will ask the Court for attorneys' fees not to exceed 30% of the Settlement Fund and expenses not to exceed \$75,000. If the above amounts are requested and approved by the Court, the estimated recovery per share after fees and expenses will be \$0.06.
6. **Reasons for the Settlement:** For Lead Plaintiff, the principal reason for the Settlement is the benefit to be provided to the Class now. This benefit must be considered in light of all the risks that Lead Plaintiff would face to succeed in proving liability and a larger amount of damages at a trial. Even if Lead Plaintiff was successful at trial, there would be further risks on appeal. The \$2.5 million in cash recovered now must be compared to the risks that no recovery, and importantly no larger recovery, might be achieved after a contested trial and likely appeals, possibly years into the future.

For Defendants, who deny all allegations of wrongdoing or liability whatsoever, the principal reason for the Settlement is to eliminate the expense, risks, and uncertain outcome of the litigation.

**YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT**

<b>REMAIN A MEMBER OF THE CLASS</b>	This is the only way to get a payment. If you wish to obtain a payment as a Class Member, you will need to file a Proof of Claim and Release form (which is included with this Notice) postmarked no later than November 21, 2011.
<b>EXCLUDE YOURSELF FROM THE CLASS BY SUBMITTING A WRITTEN REQUEST FOR EXCLUSION SO THAT IT IS RECEIVED NO LATER THAN OCTOBER 11, 2011</b>	Get no payment. This is the only option that allows you to ever be part of any other lawsuit against any of the Defendants concerning the claims in this case.
<b>OBJECT TO THE SETTLEMENT BY SUBMITTING WRITTEN OBJECTIONS SO THAT THEY ARE RECEIVED NO LATER THAN OCTOBER 11, 2011</b>	Write to the Court and explain why you do not like the Settlement, the proposed Plan of Allocation, or the request for attorneys' fees and expenses. You cannot object to the Settlement unless you are a Class Member and do not exclude yourself.
<b>GO TO THE HEARING ON OCTOBER 25, 2011, AT 2:30 P.M., AND FILE A NOTICE OF INTENTION TO APPEAR SO THAT IT IS RECEIVED NO LATER THAN OCTOBER 11, 2011</b>	Ask to speak in Court about the fairness of the Settlement, the proposed Plan of Allocation, or the request for attorneys' fees and expenses.
<b>DO NOTHING</b>	Get no payment. Remain a Class Member. Give up your rights.

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**1. WHY DID I GET THIS NOTICE?**

This Notice is being sent to you pursuant to an Order of the United States District Court for the Southern District of New York (the "Court") because you or someone in your family may have purchased or acquired RHI common stock pursuant and/or traceable to RHI's IPO on or about June 19, 2008 through and including November 6, 2008 (the "Class Period"). The Court has directed us to send you this Notice because, as a potential Class Member, you have a right to know about your options before the Court rules on the proposed settlement of this case. Additionally, you have the right to understand how a class action lawsuit may generally affect your legal rights. If the Court approves the Settlement, the claims administrator selected by Lead Plaintiff and approved by the Court will make payments pursuant to the Settlement after any objections and appeals are resolved.

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. In this Action, the Court has appointed the United Food & Commercial Workers Union Local 655 to serve as "Lead Plaintiff" under a federal law governing lawsuits such as this one, and has approved Lead Plaintiff's selection of Robbins Geller Rudman & Dowd LLP to serve as "Lead Counsel" in the 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 all class members, except for any persons who choose to exclude themselves from the class. (For more information on excluding yourself from the Class, please read "What If I Do Not Want To Be A Part Of The Settlement? How Do I Exclude Myself?," located below.)

The Court in charge of the case is the United States District Court for the Southern District of New York, and the case is known as *Kleiman v. RHI Entertainment, Inc., et al.*, Civil Action No. 1:09-cv-08634 (AKH). The Judge presiding over this case is the Honorable Alvin K. Hellerstein, United States District Judge. The people who are suing are called plaintiffs, and those who are being sued are called defendants. In this case, the plaintiff is referred to as the Lead Plaintiff, and it is suing on its own behalf and on behalf of the Class. The Defendants are RHI, Robert A. Halmi, Jr., and William J. Aliber.

This Notice explains the Action, the Settlement, your legal rights, what benefits are available, who is eligible for them, and how to get them. The purpose of this Notice is to inform you of this case, that it is a class action, how you might be affected, and how to exclude yourself from the Settlement if you wish to do so. It also is being sent to inform you of the terms of the proposed Settlement, and of a hearing to be held by the Court to consider the fairness, reasonableness, and adequacy of the proposed Settlement (the "Fairness Hearing").

The Fairness Hearing will be held on October 25, 2011, at 2:30 p.m., before the Honorable Alvin K. Hellerstein, at the United States District Court for the Southern District of New York, located at 500 Pearl Street, Courtroom 14D, New York, New York, to determine, among other things:

- a) whether the proposed Settlement is fair, reasonable, and adequate and should be approved by the Court;
- b) whether the Court should enter the bar orders and permanent injunctions requested in the proposed Settlement;
- c) whether the claims against the Defendants should be dismissed with prejudice as set forth in the Stipulation and Agreement of Settlement;
- d) whether the proposed Plan of Allocation is fair and reasonable and should be approved by the Court; and
- e) whether Lead Counsel's request for fees and expenses should be approved by the Court.

This Notice does not express any opinion by the Court concerning the merits of any claim in the Action, and the Court still has to decide whether to approve the Settlement. If the Court approves the Settlement, payments will be made after any appeals are resolved, and after the completion of all claims processing. Please be patient.

## 2. WHAT IS THIS CASE ABOUT? WHAT HAS HAPPENED SO FAR?

This Action is for alleged violations of the securities laws emanating from Defendants' alleged misrepresentations and omissions in the registration statement accompanying RHI's initial public offering of common stock on or about June 19, 2008.

On October 9, 2009, RHI shareholder Harold Kleiman filed a class action lawsuit against RHI and certain of its officers alleging violations of the federal securities laws. On January 11, 2010, the Court appointed United Food & Commercial Workers Union Local 655 as Lead Plaintiff in the Action and approved its selection of Robbins Geller Rudman & Dowd LLP (then known as Coughlin Stoa Geller Rudman & Robbins LLP) as Lead Counsel.

On March 18, 2010, Lead Plaintiff filed an Amended Complaint, on behalf of a class of all persons and entities other than Defendants and certain related individuals or entities who purchased the common stock of RHI pursuant and/or traceable to the Company's IPO on or about June 19, 2008 seeking to pursue remedies under the Securities Act.

Specifically, the Amended Complaint asserted claims under Sections 11 and 15 of the Securities Act arising from alleged misstatements and omissions in RHI's registration statement and prospectus regarding customer demand for RHI's products and the number of films the Company would produce in 2008.

Defendants filed a motion to dismiss on May 3, 2010, seeking dismissal of all claims. The Court was scheduled to hear arguments on Defendants' motion to dismiss the Amended Complaint, and Lead Plaintiff's opposition thereto, on November 30, 2010.

The parties conducted preliminary settlement negotiations in the third quarter and early fourth quarter of 2010, and agreed to pursue such discussions further with the assistance of a mediator, which they agreed would be Jed Melnick of JAMS, a mediator with significant expertise in securities litigations.

Prior to the parties' mediation session, on December 10, 2010, RHI and certain of its affiliates filed for bankruptcy under Chapter 11 of Title 11 of the United States Bankruptcy Code.

On December 16, 2010, Lead Counsel, Defendants, and the Company's insurance carrier engaged in a mediation session at the offices of Latham & Watkins LLP in New York City. In connection with that mediation, the parties each prepared and exchanged mediation statements. The parties failed to reach an agreement at the conclusion of the mediation.

In the ensuing weeks, with the assistance of Mr. Melnick, the parties continued to explore the possibility of settlement. On January 17, 2011, an agreement-in-principle to settle was reached.

As part of this settlement agreement, Defendants deny all allegations of misconduct contained in the Amended Complaint and deny having engaged in any wrongdoing whatsoever.

On July 29, 2011, the Court preliminarily approved the Settlement, authorized this Notice to be sent to potential Class Members, and scheduled the Fairness Hearing to consider whether to grant final approval to the Settlement.

## 3. HOW DO I KNOW IF I AM AFFECTED BY THE SETTLEMENT?

If you are a member of the Class, you are subject to the Settlement unless you timely request to be excluded. The Class consists of all persons and entities who purchased or otherwise acquired shares of RHI common stock pursuant and/or traceable to RHI's IPO on or about June 19, 2008 through November 6, 2008, inclusive. Excluded from the Class are: (a)

Defendants; (b) Immediate Family Members of the Individual Defendants; (c) the majority-owned subsidiaries and affiliates of RHI; (d) any person or entity who is or was at the time of the IPO a partner, executive officer, director, or controlling person of RHI (including any subsidiaries or affiliates); (e) any entity in which Defendants have or had a Controlling Interest at the time of the IPO; and (f) the legal representatives, heirs, successors, and assigns of any such excluded party. Also excluded from the Class are any persons or entities who submit valid and timely requests for exclusion from the Class in accordance with the requirements set forth in this Notice. (See "What If I Do Not Want To Participate In The Settlement? How Do I Exclude Myself?" on page 7.)

**RECEIPT OF THIS NOTICE DOES NOT NECESSARILY MEAN THAT YOU ARE A CLASS MEMBER OR ARE ENTITLED TO RECEIVE PROCEEDS FROM THE SETTLEMENT. IF YOU WISH TO PARTICIPATE IN THE SETTLEMENT, YOU ARE REQUIRED TO SUBMIT A CLAIM FORM. YOU MUST RETURN THE CLAIM FORM POSTMARKED NO LATER THAN NOVEMBER 21, 2011.**

#### 4. WHAT ARE THE LEAD PLAINTIFF'S REASONS FOR THE SETTLEMENT?

Lead Plaintiff and Lead Counsel believe that the claims asserted against Defendants have merit. Lead Plaintiff and Lead Counsel, however, recognize the expense and length of continued proceedings necessary to pursue their claims through trial and appeals, as well as the difficulties in establishing liability with respect to their allegations based on inflated deferred tax assets and weak internal controls. There was considerable risk that Lead Plaintiff would not prevail at trial or on appeal. Additionally, as to defendant RHI, a company which has filed for bankruptcy, there was a very substantial risk that the Company would not have sufficient assets to satisfy a judgment even if Lead Plaintiff were to prevail at trial and on the appeals that would surely follow.

In light of the amount of the Settlement, the immediacy of recovery to the Class, and the attendant risks in going forward with the prosecution of the Action, Lead Plaintiff and Lead Counsel believe that the proposed Settlement is fair, reasonable, and adequate, and in the best interests of the Class. Lead Plaintiff and Lead Counsel believe that the Settlement provides a substantial benefit now, namely \$2,500,000 in cash (less the various deductions described in this Notice ("Net Settlement Fund")), as compared to the risk that the claims in the Action would produce a similar, smaller, or no recovery after summary judgment, trial and appeals, possibly years in the future. Defendants have denied the claims asserted against them in the Action, and deny having engaged in any wrongdoing, violation of law or breach of duty. The Settlement may not be construed as an admission of Defendants' wrongdoing. Defendants have agreed to the Settlement solely to eliminate the burden and expense of continued litigation.

#### 5. WHAT MIGHT HAPPEN IF THERE WAS NO SETTLEMENT?

If there was no settlement, and Lead Plaintiff failed to establish any essential legal or factual element of its claims, neither Lead Plaintiff nor the other members of the Class would recover anything from Defendants. Also, if Defendants were successful in proving any of their defenses, the Class likely would recover substantially less than the amount provided in the Settlement, or nothing at all.

#### 6. HOW MUCH WILL MY PAYMENT BE?

##### **THE PROPOSED PLAN OF ALLOCATION: GENERAL PROVISIONS**

Defendants have collectively agreed to pay \$2,500,000 in cash.

After approval of the Settlement by the 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. If any funds remain in the Net Settlement Fund because of uncashed distributions or other reasons, then, after the Claims Administrator has made reasonable and diligent efforts to have Authorized Claimants cash their distribution checks, any balance remaining in the Net Settlement Fund one (1) year after the initial distribution of such funds shall be redistributed to Class Members who have cashed their initial distributions and who would receive at least \$10.00 from such redistribution based on their Recognized Claim, after payment of any unpaid costs or fees incurred in administering the Net Settlement Fund for such redistribution, if in the opinion of Lead Counsel such redistribution would be cost-effective. If any funds shall remain in the Net Settlement Fund after six (6) months after such redistribution, or if redistribution is not made because it was deemed not cost effective, then such balance shall be contributed to non-sectarian, not-for-profit 501(c)(3) organization(s) designated by Lead Counsel.

The Settlement Fund will be distributed as follows:

- a) First, to pay all federal, state, and local taxes on any income earned by the Settlement Fund and to pay the reasonable costs incurred in connection with determining the amount of, and paying, taxes owed by the Settlement Fund (including reasonable expenses of tax attorneys and accountants);
- b) To pay costs and expenses in connection with providing notice to Class Members and administering the Settlement on behalf of Class Members;
- c) To reimburse Plaintiffs' Counsel for the costs and expenses they incurred in commencing and prosecuting the Action, with interest on such money, if and to the extent allowed by the Court;
- d) To pay Plaintiffs' Counsel's attorneys' fees, with interest on such amount, to the extent allowed by the Court; and

e) To compensate Authorized Claimants with the balance of the Net Settlement Fund in accordance with the Plan of Allocation, subject to an Order of the Court approving the Settlement and the Plan of Allocation (or such other allocation plan as the Court may approve), and subject to such Order's becoming Final (meaning that the time for appeal or appellate review of the Order granting final approval has expired, or, if the Order is appealed, that the appeal is either decided without causing a material change in the Order or is upheld on appeal and no longer subject to appellate review by further appeal or writ of certiorari).

The Net Settlement Fund will not be distributed until the 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.

Defendants and their insurance carrier are not entitled to get back any portion of the Settlement Fund once the Court's Order approving the Settlement becomes Final.

Defendants have no 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 as to the Plan of Allocation will not affect the Settlement, if approved.

Only those Class Members who purchased or acquired RHI common stock pursuant and/or traceable to the Company's IPO, as set forth below, will be eligible to share in the distribution of the Net Settlement Fund. Each person wishing to participate in the distribution must timely submit a valid Proof of Claim and Release form establishing membership in the Class, and including all required documentation, postmarked no later than November 21, 2011, to the address set forth in the Proof of Claim and Release form ("Proof of Claim") that accompanies this Notice. Unless the Court otherwise orders, any Class Member who fails to submit a Proof of Claim postmarked no later than November 21, 2011, shall be forever barred from receiving payments pursuant to the Settlement set forth in the Stipulation but will in all other respects remain a Class Member and be subject to the provisions of the Stipulation, including the terms of any Judgment entered and releases given. This means that each Class Member releases the Plaintiffs' Released Claims (as defined below) against Defendants and is enjoined and prohibited from filing, prosecuting, or pursuing any of the Plaintiffs' Released Claims against any of the Defendants regardless of whether or not such Class Member submits a Proof of Claim.

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

The Court has also reserved the right to modify the Plan of Allocation without further notice to Class Members. Any orders regarding a modification of the Plan of Allocation will be posted on Lead Counsel's website, [www.rgrdlaw.com](http://www.rgrdlaw.com), and the Settlement website, [www.gilardi.com](http://www.gilardi.com).

Payment pursuant to the Plan of Allocation approved by the Court shall be conclusive against all Authorized Claimants. No person shall have any claim against Lead Plaintiff, Lead Counsel, or the Claims Administrator or other agent designated by Lead Counsel arising from distributions made substantially in accordance with the Stipulation and Agreement of Settlement, the Plan of Allocation, or further orders of the Court. Lead Plaintiff, Defendants, their respective counsel, and all other Releasees shall have no responsibility or liability whatsoever for the investment or distribution of the Settlement Fund, the Net Settlement Fund, the Plan of Allocation, or the determination, administration, calculation, or payment of any Proof of Claim 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 generally measures the amount of loss that a Class Member can claim under the Settlement for the purpose of making *pro rata* allocations of the cash in the Net Settlement Fund to Class Members who submit acceptable Proofs of Claim.

The Net Settlement Fund shall be distributed to Class Members who submit acceptable Proofs of Claim ("Authorized Claimants"). Each Proof of Claim must state and provide sufficient documentation for each Authorized Claimant's purchase or acquisition of RHI common stock issued pursuant and/or traceable to the Company's IPO. Each Proof of Claim also must list and provide sufficient documentation for all transactions in those securities as set forth in the Proof of Claim.

The Claims Administrator shall determine each Authorized Claimant's share of the Net Settlement Fund based upon the formula described below. The formula is intended to equitably apportion the Net Settlement Fund among Class Members. The formula is not an estimate of what a Class Member would have recovered after trial.

The formula for determining the amount of each Authorized Claim is as follows:

**Section 11 Claims for the June 2008 Initial Public Offering**

Initial Public Offering Price:	\$14.00
Closing Price on the date the first class action complaint was filed, October 9, 2009:	\$2.93

For RHI common stock purchased or acquired pursuant and/or traceable to RHI's IPO on or about June 19, 2008, between June 19, 2008 and November 6, 2008, and

(1) sold prior to October 9, 2009, the claim per share is the lesser of (i) the purchase price per share less the sales price per share, or (ii) \$14.00 less the sales price per share.

(2) retained at the end of, or sold on or after, October 9, 2009, the claim per share is the lesser of (i) the purchase price per share less the sales price per share, or (ii) \$14.00 less \$2.93.

The date of purchase or sale is the “contract” or “trade” date as distinguished from the “settlement” date. The determination of the price paid per share and the price received per security, shall be exclusive of all commissions, taxes, fees, and charges.

For Class Members who made multiple purchases, acquisitions, or sales during the Class Period, the first-in, first-out (“FIFO”) method will be applied to such purchases, acquisitions, and sales for purposes of calculating a claim. Under the FIFO method, sales of shares during the Class Period will be matched, in chronological order, against shares purchased or acquired during the Class Period.

To the extent a Claimant had a gain from his, her or its overall transactions in the RHI common stock issued pursuant and/or traceable to the IPO during the Class Period, the value of the Recognized Claim will be zero. Such Claimants will in any event be bound by the Settlement. You may wish to consider this when deciding whether to opt out.

To the extent there are sufficient funds in the Net Settlement Fund, each Authorized Claimant will receive an amount equal to the Authorized Claimant’s claim, as calculated above. If, however, the amount in the Net Settlement Fund is not sufficient to permit payment of the total claim of each Authorized Claimant, then each Authorized Claimant shall be paid the percentage of the Net Settlement Fund that each Authorized Claimant’s claim bears to the total of the claims of all Authorized Claimants. Payment in this manner shall be deemed conclusive against all Authorized Claimants.

The Plan of Allocation set forth herein is the plan that is being proposed by Lead Plaintiff and Lead Counsel to the Court for approval. The Court may approve this plan as proposed or it may modify the plan or approve a different plan of allocation without further notice to the Class.

## 7. WHAT RIGHTS AM I GIVING UP BY AGREEING TO THE SETTLEMENT?

If the Settlement is approved, the Court will enter a judgment (the “Judgment”). The Judgment will dismiss with prejudice the claims against the Defendants and will provide that Lead Plaintiff and all other Class Members shall be deemed to have – and by operation of the Judgment shall have – fully, finally, and forever released, waived, discharged, and dismissed any and all Plaintiffs’ Released Claims, including “Unknown Claims” (as defined in the Stipulation), against the Releasees (as defined below) and any claims or potential claims that were or could be asserted in connection with the Action that relate to the Plaintiffs’ Released Claims.

“Releasee” means (1) each and all of RHI, any and all of its parents, predecessors, successors, affiliates (as defined in 17 C.F.R. Part 210.1-02.b), divisions, business units, subsidiaries, and entities in which any Defendant has a Controlling Interest or that have a Controlling Interest in it, as well as their respective past and present directors, executive committee members, officers, employees, members, partners, principals, agents, attorneys (including their General Counsel) and other inside or outside attorneys, advisors, trustees, administrators, fiduciaries, consultants, representatives, accountants, accounting advisors, auditors, and insurance carriers for any actual or alleged conduct, act, or omission occurring or engaged in on behalf of its insureds at any time with respect to Plaintiffs’ Released Claims; and (2) Robert A. Halmi, Jr., and William J. Aliber and their Immediate Family Members (as defined in the Stipulation).

“Plaintiffs’ Released Claims” means each and every Claim or Unknown Claim that Lead Plaintiff, or any other Class Member (i) asserted against any of the Releasees in the Action and (ii) could have asserted or could assert against any of the Releasees, whether arising under any federal, state, or foreign statutory or common-law rule, in any other court, tribunal, agency, or other forum, that are directly or indirectly based on, arising out of, relating to or in any way involving the Action and facts or circumstances underlying the Action and to the purchase of RHI common stock issued pursuant to or traceable from the Initial Public Offering.

The Judgment also will provide that Defendants shall be deemed to have – and by operation of the Judgment shall have – fully, finally, and forever released, waived, and discharged all Claims, whether known or unknown (including Unknown Claims), and whether arising under federal, state, or any other law, that have been or could have been asserted in the Action or in any court or forum, by Defendants against Plaintiffs’ Counsel, Lead Plaintiff, or the Class, if such Claims arise out of or relate in any way to the institution, maintenance, or settlement of the Action, except Claims relating to the enforcement of the Settlement.

Defendants have asked the Court to enter “bar orders” barring any person or entity from suing the Releasees – and barring those Releasees from suing any other person or entity – for any injury that relates to a Plaintiffs’ Released Claim or arises from the barred person’s or entity’s alleged liability in this Action or payment in this Class or any Class Member.

## 8. WHAT PAYMENT ARE THE ATTORNEYS FOR THE CLASS SEEKING? HOW WILL THE LAWYERS BE PAID?

Plaintiffs’ counsel have not received any payment for their services in pursuing claims against Defendants on behalf of the Class, nor have they been reimbursed for their out-of-pocket expenses. Before final approval of the Settlement, Lead Counsel intend to apply to the Court for an award of attorneys’ fees from the Settlement Fund in the amount of 30% of the Settlement Amount together with interest thereon at the same rate as earned by the Settlement Fund. At the same time, Lead Counsel also intend to apply for the payment of expenses not to exceed \$75,000 with interest thereon at the same rate as earned by the Settlement Fund. The Court will determine the amount of the award.

## 9. HOW DO I PARTICIPATE IN THE SETTLEMENT? WHAT DO I NEED TO DO?

If you are a person or entity that purchased or otherwise acquired RHI common stock issued pursuant and/or traceable to RHI's IPO on or about June 19, 2008 through November 6, 2008, inclusive, and you are not excluded by the definition of the Class and you do not elect to exclude yourself from the Class, then you are a Class Member, and you will be bound by the proposed Settlement if the Court approves it, and by any judgment or determination of the Court affecting the Class. If you are a Class Member, you must submit a Proof of Claim and supporting documentation to establish your entitlement to share in the Settlement. A Proof of Claim is included with this Notice, or you may download copies of the Proof of Claim from the website maintained by the Claims Administrator for this Settlement, [www.gilardi.com](http://www.gilardi.com). You may also request a Proof of Claim by calling toll-free 1-877-241-1527. Please retain all records of your ownership of, or transactions in, RHI common stock, as they may be needed to document your claim.

Those who exclude themselves from the Class, and those who do not submit timely and valid Proofs of Claim with adequate supporting documentation will not be entitled to share in the Settlement.

As a Class Member, you are represented by Lead Plaintiff and Lead Counsel, unless you enter an appearance through counsel of your own choice at your own expense. You are not required to retain your own counsel, but if you choose to do so, such counsel must file a notice of appearance on your behalf and must serve copies of his or her notice of appearance so that it is received no later than October 11, 2011, on the attorneys listed in the section entitled "When And Where Will The Court Decide Whether To Approve The Settlement?" below.

If you do not wish to remain a Class Member, you may exclude yourself from the Class by following the instructions in the section entitled, "What If I Do Not Want To Be A Part Of The Settlement? How Do I Exclude Myself?" below.

If you wish to object to the Settlement, or any of its terms, or to the Plan of Allocation or Lead Counsel's request for an award of attorneys' fees and expenses, and if you do not exclude yourself from the Class, you may present your objections by following the instructions in the section entitled "When And Where Will The Court Decide Whether To Approve The Settlement?" below.

## 10. WHAT IF I DO NOT WANT TO BE A PART OF THE SETTLEMENT? HOW DO I EXCLUDE MYSELF?

Each Class Member will be bound by all determinations and judgments in this lawsuit, including those concerning the Settlement, whether favorable or unfavorable, unless such person or entity mails, by First-Class Mail (or its equivalent outside the U.S.), or otherwise delivers a written request for exclusion from the Class, addressed to *Kleiman v. RHI Entertainment, Inc.*, EXCLUSIONS – Claims Administrator, c/o Gilardi & Co. LLC, P.O. Box 8040, San Rafael, CA 94912-8040. The exclusion request must be received no later than October 11, 2011. You will not be able to exclude yourself from the Class after that date. Each request for exclusion must (i) state the name and address of the person or entity requesting exclusion; (ii) state that such person or entity "requests exclusion from the Class in *Kleiman v. RHI Entertainment, Inc., et. al*, Civil Action No. 1:09-cv-08634 (AKH)"; (iii) be signed by the person or entity requesting exclusion; (iv) provide a telephone number for that person or entity; and (v) provide the date(s), price(s), and number(s) of shares of all purchases, acquisitions, and sales of RHI common stock issued pursuant and/or traceable to the Company's IPO. Requests for exclusion will not be valid if they are not received within the time stated above, unless the Court otherwise determines.

If you do not want to be part of the Class, you must follow these instructions for exclusion even if you have pending, or later file, another lawsuit, arbitration, or other proceeding relating to any Plaintiffs' Released Claims.

If a person or entity requests to be excluded from the Class, that person or entity will not receive any benefit provided for in the Settlement.

Defendants may terminate the Settlement if requests for exclusion are received from potential Class Members whose shares of RHI common stock, in the aggregate, exceed an amount of the RHI common stock eligible to participate in the Settlement that was agreed to by Lead Plaintiff and Defendants.

## 11. WHEN AND WHERE WILL THE COURT DECIDE WHETHER TO APPROVE THE SETTLEMENT? DO I HAVE TO COME TO THE HEARING? CAN I OBJECT TO THE SETTLEMENT? MAY I SPEAK AT THE HEARING IF I DON'T LIKE THE SETTLEMENT?

**If you do not wish to object to the proposed Settlement, you do not need to attend the Fairness Hearing. You may participate in the Settlement without attending the hearing.**

The Fairness Hearing will be held on October 25, 2011, at 2:30 p.m., before the Honorable Alvin K. Hellerstein, United States District Court for the Southern District of New York, 500 Pearl Street, Courtroom 14D, New York, New York. The Court reserves the right to approve the Settlement or the Plan of Allocation at or after the Fairness Hearing without further notice to the members of the Class.

Any Class Member who does not request exclusion received by the Claims Administrator no later than October 11, 2011, may object to the Settlement, the Plan of Allocation, or Lead Counsel's request for an award of attorneys' fees and expenses. Objections or oppositions must be in writing. You must file any written objection or opposition, together with copies of all other papers (including proof of all purchases or acquisitions of RHI common stock issued pursuant and/or

traceable to the Company's IPO) and briefs, with the Clerk's Office at the United States District Court for the Southern District of New York, 500 Pearl Street, New York, New York 10007, on or before October 11, 2011. You also must serve the papers on the following attorneys so that the papers are *received* on or before October 11, 2011.

**Counsel for Lead Plaintiff**

Ellen Gusikoff Stewart  
**ROBBINS GELLER RUDMAN & DOWD LLP**  
655 West Broadway, Suite 1900  
San Diego, CA 92101

**Counsel for Defendants**

Jeff G. Hammel  
**LATHAM & WATKINS LLP**  
885 Third Avenue  
New York, NY 10022

The filing must demonstrate your membership in the Class, including the number of shares of RHI common stock purchased or acquired pursuant and/or traceable to RHI's IPO, and price(s) paid. You may not object to the Settlement or any aspect of it if you excluded yourself from the Class.

You may file a written objection without having to appear at the Fairness Hearing. You may not appear at the Fairness Hearing to present your objection, however, unless you first filed and served a written objection in accordance with the procedures described above, unless the Court orders otherwise.

If you wish to be heard orally at the hearing in opposition to the approval of the Settlement, the Plan of Allocation, or Lead Counsel's request for an award of attorneys' fees and expenses, and if you have filed and served a timely written objection as described above, you also must notify the above counsel on or before October 11, 2011, concerning your intention to appear. Persons who intend to object and desire to present evidence at the Fairness Hearing must include in their written objections the identity of any witnesses they may call to testify and exhibits they intend to introduce into evidence at the hearing.

You are not required to hire an attorney to represent you in making written objections or in appearing at the Fairness Hearing. If you decide to hire an attorney, at your own expense, however, he or she must file a notice of appearance with the Court and serve it on all counsel listed above so that the notice is *received* by them on or before October 11, 2011.

The Fairness Hearing may be adjourned by the Court without further written notice to the Class. If you intend to attend the Fairness Hearing, you should confirm the date and time with Lead Counsel.

**Unless the Court orders otherwise, any 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 Plan of Allocation, or Lead Counsel's request for an award of attorneys' fees and expenses. Class Members do not need to appear at the hearing or take any other action to indicate their approval.**

**12. WHAT IF I BOUGHT SHARES ON SOMEONE ELSE'S BEHALF?**

If you purchased or otherwise acquired RHI common stock pursuant and/or traceable to RHI's IPO during the Class Period for the beneficial interest of a person or organization other than yourself, you must either (i) request from the Claims Administrator, within fourteen (14) days after receipt of this Notice, additional copies of the Notice and Proof of Claim and within fourteen (14) days after receipt of the copies from the Claims Administrator mail them to the beneficial owners, or (ii) provide the names and addresses of such persons no later than fourteen (14) days after you receive this Notice to *Kleiman v. RHI Entertainment, Inc.*, EXCLUSIONS - Claims Administrator, c/o Gilardi & Co. LLC, P.O. Box 8040, San Rafael, CA 94912-8040. If you choose the second option, the Claims Administrator will send a copy of the Notice to the beneficial owner. Upon full compliance with these directions, such nominees may seek reimbursement of their reasonable expenses actually incurred, by providing the Claims Administrator with proper documentation supporting the expenses for which reimbursement is sought. Copies of this Notice may also be obtained from the Claims Administrator's website [www.gilardi.com](http://www.gilardi.com) or by calling toll-free 1-877-241-1527.

**13. CAN I SEE THE COURT FILE? WHOM SHOULD I CONTACT IF I HAVE QUESTIONS?**

This Notice contains only a summary of the terms of the proposed Settlement. More detailed information about the matters involved in the Action is available at [www.gilardi.com](http://www.gilardi.com), including, among other documents, copies of the Stipulation and Agreement of Settlement and the Proof of Claim.

**PLEASE DO NOT CALL OR WRITE THE COURT OR THE OFFICE OF THE CLERK OF COURT REGARDING THIS NOTICE.**

Dated: July 29, 2011

By Order of the Court  
United States District Court  
Southern District of New York