

NOTICE

**If You Were a Stockholder of The Orchard Enterprises, Inc.
Between March 15, 2010 and July 29, 2010
You May Be Entitled to Money Benefits as Part of a Class Action Settlement**

If You are a nominee who held The Orchard Enterprises, Inc. common stock for the benefit of another, please read the section below entitled “NOTICE TO PERSONS OR ENTITIES HOLDING RECORD OWNERSHIP ON BEHALF OF OTHERS.” Members of the Class are referred to in this Notice as “Class Members.”

- The Settlement will provide \$10.725 million to pay claims from investors who held stock when Dimensional Associates LLC (“Dimensional”) purchased the outstanding minority common stock of The Orchard Enterprises, Inc. (“Orchard”) on July 29, 2010 (the “Cash-Out Merger”).
- The Settlement resolves a lawsuit over whether Dimensional and the former Board of Directors of Orchard breached their fiduciary duties to stockholders in connection with the Cash-Out Merger by engaging in an unfair process and agreeing to a transaction at an unfair price, including several alleged disclosure violations; it avoids costs and risks to You from continuing the lawsuit; pays money to stockholders like You; and prevents You from ever filing another lawsuit about the Cash-Out Merger.
- The two sides disagree on how much money could have been won if investors won at trial, and if investors could have won at trial.
- Your legal rights are affected whether You act, or don’t act. Read this notice carefully.

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT:	
SUBMIT A CLAIM FORM	By August 12, 2014. This is the only way to get a payment.
OBJECT	Write to the Court about why You don’t like the Settlement So It is Received by June 20, 2014.
GO TO A HEARING	Ask to speak in Court about the fairness of the Settlement.
DO NOTHING	Get no payment. Give up Your rights.

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

QUESTIONS? CALL 1-877-797-5688 TOLL FREE, OR VISIT WWW.ORCHARDSTOCKHOLDERLITIGATION.COM

1. Why did I get this notice?

This Notice is being sent to You pursuant to an Order of the Court because You or someone in Your family may have been an Orchard stockholder between March 15, 2010 and July 29, 2010.

You got this notice because You have a right to know about the proposed Settlement of this lawsuit, and about all of Your options, before the Court decides whether to approve the Settlement.

The notice explains the lawsuit, the Settlement, Your legal rights, what benefits are available, who is eligible for them, and how to get them.

The Court in charge of the case is the Court of Chancery of the State of Delaware (the “Court”), and the case is called *In re Orchard Enterprises, Inc. Stockholder Litigation*, Consolidated C.A. No.7840-VCL. The Judge presiding over this case is Vice Chancellor J. Travis Laster. The people who sued are called Plaintiffs, and the companies and people they sued, Orchard, Dimensional, and Orchard’s former Board of Directors (David Altschul, Viet Dinh, Michael Donahue, Bradley Navin, Nathan Peck, Daniel Stein and Joel Straka—together the “Board”), are called the Defendants.

If the Court approves the Settlement and the Settlement becomes effective, (a) the Consolidated Action will be dismissed with prejudice, (b) all members of the Class will be deemed to have released the Released Claims (a full copy of the Released Claims is attached), and (c) the claims administrator (“Claims Administrator”) approved by the Court will make payments pursuant to the Settlement.¹

2. What is this lawsuit about?

The following summary does not constitute findings of the Court. The Court has made no findings about the following matters and these recitations should not be understood as an expression of any opinion of the court as to the merits of any of the claims or defenses raised by any of the parties.

The lawsuit claimed the Board and Dimensional breached their fiduciary duties to Orchard stockholders in connection with the Cash-Out Merger. The lawsuit claimed that Dimensional, Orchard’s controlling stockholder, and Orchard’s Board of Directors, engaged in an unfair process in approving and recommending the Cash-Out Merger, and effectuated the Cash-Out Merger at an unfairly low price. The alleged unfair dealing included alleged inaccurate disclosures regarding (i) whether Dimensional was entitled to a \$25 million liquidation preference in the Cash-Out Merger unless Orchard’s Certificate of Designations was amended to permit the Cash-Out Merger to occur; (ii) the reason why the financial advisor of the Board’s Special Committee for the Cash-Out Merger subtracted the \$25 million liquidation preference from the value of Orchard’s common stock in evaluating the fairness of the Cash-Out Merger; (iii) whether the Special Committee Chairman had any relationship with Dimensional; and (iv) Dimensional’s negotiations with certain third-party bidders. The lawsuit also alleged that Dimensional got a credit that it was not entitled to in connection with the Cash-Out Merger and therefore that the cash payment of \$2.05 per share provided to stockholders in the Cash-Out Merger was not adequate. Defendants vigorously deny each of these allegations and all liability and damages.

3. Why is this a class action?

In a class action, one or more people called Class Representatives (in this case Loeb Arbitrage Management, LP, Loeb Offshore Management LP, Loeb Marathon Fund LP, Loeb Arbitrage Fund, Loeb Marathon Offshore Fund, Ltd., Loeb Offshore Fund, Ltd. and David Wood), sue on behalf of people who have similar claims. All these people are a Class or Class Members.

4. Why is there a settlement?

Class Plaintiffs and Class Counsel believe that all of their claims asserted against the Defendants have legal merit, and that their diligent prosecution of the claims asserted in the Consolidated Action has led to a settlement that provides an outstanding recovery for the Class.

Although the Class Plaintiffs and Class Counsel think they could have won at trial, the Defendants think the Plaintiffs would not have won anything from a trial. But there was no trial. Instead, both sides agreed to a settlement. That way, the parties avoid the cost of a trial, and the stockholders will get money. The Class Representatives and their attorneys think the Settlement is best for all Class Members.

¹ All capitalized terms used in this Notice that are not otherwise defined herein shall have the meanings provided in the Stipulation and Agreement of Settlement dated April 28, 2014 (the “Settlement Stipulation”), which is available on the settlement website at www.orchardstockholderlitigation.com.

QUESTIONS? CALL 1-877-797-5688 TOLL FREE, OR VISIT WWW.ORCHARDSTOCKHOLDERLITIGATION.COM

Class Plaintiffs, based on their direct oversight of the prosecution of this matter, along with the input of Class Counsel, have agreed to settle the claims raised in the Consolidated Action pursuant to the terms and provisions of the Stipulation, after considering: (i) the substantial benefits that Class Plaintiffs and the other members of the Class will receive from the resolution of the Consolidated Action; (ii) the attendant risks of going to trial, including the risk of failing to prove liability and/or damages greater than the Settlement Amount; (iii) the desirability of permitting the Settlement to be consummated as provided by the terms of the Stipulation; and (iv) the view that the terms of the Settlement are fair, reasonable, adequate, and in the best interests of the Class Members.

Class Plaintiffs, through Class Counsel, have conducted an investigation and pursued extensive discovery relating to the claims and the underlying events and transactions alleged in the Consolidated Action. Class Counsel have analyzed the evidence obtained during their investigation, and the extensive discovery obtained in the Action, and have also researched the applicable law with respect to the claims asserted in the Consolidated Action and the potential defenses thereto. Additionally, the Court's February 28, 2014 Opinion and the parties' subsequent settlement negotiations have provided Class Counsel with a detailed basis upon which to assess the relative strengths and weaknesses of their position and Defendants' position in this litigation.

In negotiating and evaluating the terms of the Settlement, Class Plaintiffs and Class Counsel considered the significant legal and factual defenses to the Class Plaintiffs' claims and the expense, length, and risk of pursuing their claims through trial and appeals. While Class Plaintiffs believe that the Cash-Out Merger was the product of breaches of fiduciary duty by the Orchard Board and Dimensional and that the overall consideration paid to the Orchard stockholders was inadequate, Defendants have vigorously argued that they acted appropriately and are not subject to liability or damages. In light of the risks of continued litigation, the amount of the Settlement and the immediacy of recovery to the Class, Class Plaintiffs and Class Counsel believe that the proposed Settlement is fair, reasonable and adequate, and in the best interests of the Class. Class Plaintiffs and Class Counsel believe that the Settlement provides an extraordinary benefit to the Class, namely \$10,725,000 in cash (less the various deductions described in this Notice), as compared to the risk that the claims in the Consolidated Action would produce a smaller, or no recovery after trial and appeals, possibly years in the future.

The Court has not finally determined the merits of the claims made by the Class Plaintiffs against the Defendants and has not finally determined the merits of any defenses put forth by the Defendants. This notice does not imply that there has been or would be any violation of the law or that relief in any form or recovery in any amount could be had if the action was not settled.

5. How do I know if I am part of the Settlement?

If You are a member of the Class, You are subject to the Settlement. The Class Certified by the Court, for settlement purposes only, consists of:

All record and beneficial owners of common stock of The Orchard Enterprises, Inc. between March 15, 2010 and July 29, 2010 (the "Class Period"), including any and all of their respective successors in interest, predecessors, representatives, trustees, executors, administrators, heirs, transferees (immediate and remote), and any person or entity acting for or on behalf of, or claiming under any of them, and each of them in their capacity as stockholders of Orchard, except: the Defendants herein and any person, firm, trust, corporation, family member or other entity related to or affiliated with any of the Defendants, including the individuals identified in the June 18, 2010 Orchard Proxy Statement as senior executives during Orchard's consideration of the Cash-Out Merger.

Please note: receipt of this notice does not mean that You are a Class Member or that You will be entitled to receive proceeds from the Settlement. If You wish to be eligible to participate in the distribution of proceeds from the Settlement, You are required to complete and submit the Claim Form attached with all required support, postmarked no later than August 12, 2014. If You have questions about filing a claim or need additional assistance, please contact the Claims Administrator at info@orchardstockholderlitigation.com or 1-877-797-5688.

6. What does the settlement provide?

In consideration for the full and final settlement and dismissal with prejudice of the Consolidated Action, and the release by the Class Members of any and all Released Claims, the Defendants have agreed to create a \$10.725 million fund to be paid in cash into an interest-bearing escrow account for the benefit of the Class and divided among all Class Members who owned Eligible Shares and who send in a valid Claim Form.

QUESTIONS? CALL 1-877-797-5688 TOLL FREE, OR VISIT WWW.ORCHARDSTOCKHOLDERLITIGATION.COM

7. How much will my payment be?

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

Your share of the fund will depend on the number of valid claim forms that Class Members who owned Eligible Shares send in, and the amount of costs and fees that will be paid from the Settlement Fund. Here's how it works:

If Your shares of Orchard common stock were bought by Dimensional in the Cash-Out Merger and You did not participate in the Appraisal Action, You will be entitled to make a claim for a gross amount of about \$4.00 per share. If You did participate in the Appraisal Action You can also make a claim for a gross amount of about \$0.59 per share. The costs to administer the claims and to pay the attorneys and litigation expenses will be deducted from these gross amounts in the Settlement Fund first and then the rest of the Settlement Fund will be distributed to Class Members who owned Eligible Shares and make a timely claim. All of the \$10.725 million available will be distributed. The details of the allocation are as follows:

THE PROPOSED PLAN OF ALLOCATION.

I. Definitions

- A. **Settlement Amount:** "Settlement Amount" means the \$10,725,000 in cash paid into an interest-bearing escrow account for the benefit of the Class pursuant to the Settlement, as explained above.
- B. **Settlement Fund:** "Settlement Fund" means the fund consisting of the Settlement Amount deposited in the escrow account plus any and all interest earned thereon.
- C. **Net Settlement Fund:** "Net Settlement Fund" means the Settlement Fund less (a) all federal, state and/or local taxes of any kind on any income earned by the Settlement Fund, and the reasonable expenses and costs incurred by Class Counsel in connection with determining the amount of, and paying, any taxes owed by the Settlement Fund (including, without limitation, expenses of tax attorneys and accountants); (b) the costs and expenses incurred in connection with providing notice to Class Members and administering the Settlement on behalf of Class Members; and (c) any attorneys' fees and Litigation Expenses awarded by the Court.
- D. **Authorized Claimants:** "Authorized Claimants" means those Class Members who submit a properly executed Claim Form to the Claims Administrator, in accordance with the requirements established by the Court, which Claim is approved for payment, in whole or in part, from the Net Settlement Fund pursuant to the Court-approved plan of allocation.
- E. **Eligible Shares:** "Eligible Shares" means shares of The Orchard Enterprises, Inc. common stock held as of July 29, 2010 (the Effective Date of the Cash-Out Merger).
- F. **Gross-Up of Appraisal Eligible Shares Through Adjusted Eligible Shares:** Class Members holding 604,122 shares (the "Appraisal Eligible Shares") previously received a payment from a judgment against Orchard in the Appraisal Action. The Plan of Allocation seeks to have these shares receive a total per share payment equal to those of other Eligible Shares, after including the amount by which the payment per share made in the Appraisal Action exceeded the \$2.05 Cash-Out Merger price. The payment made to the Appraisal Eligible Shares are adjusted in the Plan of Allocation to compensate for the difference between (i) the amount by which the payment per share made in the Appraisal Action exceeded the \$2.05 Cash-Out Merger price, and (ii) the per share value of the Settlement Amount for other Eligible Shares. The percentage is approximately 14.75%, and the total amount of adjusted Appraisal Eligible Shares and other Eligible Shares are the "Adjusted Eligible Shares."

- II. **Allocation Formula:** The "Pro Rata Payment Amount" for each Authorized Claimant will be determined by dividing the Authorized Claimant's total number of Adjusted Eligible Shares by the total of all Adjusted Eligible Shares of all Authorized Claimants, and multiplying that fraction by the total amount of the Net Settlement Fund available for distribution.

The Plan of Allocation set forth herein is the plan that is being proposed by Class Plaintiffs and Class Counsel to the Court for approval. The Court may approve this Plan of Allocation as proposed or it may modify the plan without further notice to the Class. Any orders regarding a modification of the Plan of Allocation will be posted to the settlement website, www.orchardstockholderlitigation.com.

8. How can I get a payment?

To qualify for payment, You must send in a Claim Form. A Claim Form is attached to this Notice. You may also get a Claim Form at www.orchardstockholderlitigation.com or by contacting the Claims Administrator at info@orchardstockholderlitigation.com or 1-877-797-5688. Read the instructions carefully, fill out the form, sign it, and mail it or email it to the Claims Administrator with all required supporting documentation, postmarked no later than August 12, 2014.

QUESTIONS? CALL 1-877-797-5688 TOLL FREE, OR VISIT WWW.ORCHARDSTOCKHOLDERLITIGATION.COM

9. When would I get my payment?

The Court will hold a hearing on June 30, 2014 at 2:00 pm, to decide whether to approve the Settlement. If the Court approves the Settlement after that, there may be appeals. It's always uncertain whether these appeals can be resolved, and resolving them can take time, perhaps more than a year. Everyone who sends in a Claim Form will be informed of the progress of the Settlement. Please be patient.

10. How Does the Settlement Affect My Rights?

If the Settlement is approved You can't sue or be part of any other lawsuit against Defendants about the legal issues in this case. It also means that all of the Court's orders will apply to You and legally bind You.

11. Do I have a lawyer in this case?

The Court appointed the law firms of Faruqi & Faruqi, LLP, Gardy & Notis, LLP and Sadis & Goldberg LLP to represent You and other Class Members. These lawyers are called Class Counsel. You will not be charged for these lawyers. If You want to be represented by Your own lawyer, You may hire one at Your own expense.

12. How will the lawyers be paid?

Class Counsel will ask the Court to approve payment of up to \$3.25 million to them for attorneys' fees and expenses, and payment of up to \$12,500 to the Class Plaintiffs for their efforts acting as Class Representatives to be paid out from any attorneys' fees and Litigation Expenses award. The fees would pay Class Counsel for investigating the facts, litigating the case, and negotiating the Settlement, and the expenses are to reimburse Class Counsel for out of pocket expenses incurred in litigating the Consolidated Action. The Court may award less than these amounts. The amount of the fees and expenses will be deducted from the Settlement Fund. Defendants have agreed not to oppose these fees and expenses. The costs to administer the Settlement will also be deducted from the Settlement Fund.

13. How do I tell the Court that I don't like the Settlement?

You can object to the Settlement if You don't like any part of it. You can give reasons why You think the Court should not approve it. The Court will consider Your views. To object, You must send a letter saying that You object to the Settlement. Be sure to include Your name, address, telephone number, Your signature, and the reasons You object to the Settlement. Your objection must be filed with the Court and served on counsel listed below no later than June 20, 2014:

COURT	CLASS COUNSEL	DEFENSE COUNSEL
Clerk of the Court Delaware Court of Chancery 500 North King Street Wilmington, DE 19801	SADIS & GOLDBERG LLP Samuel J. Lieberman 551 Fifth Avenue 21 st Floor New York, NY 10176	DENTONS US LLP Kenneth J. Pfaehler 1301 K Street NW Suite 600 East Washington, D.C. 20005 MORRIS, NICHOLS, ARSHT & TUNNELL LLP Jay N. Moffitt 1201 North Market Street, 16 th Floor Wilmington, DE 19899

14. When and where will the Court decide whether to approve the Settlement?

The Court will hold a Settlement Hearing at 2:00 pm on June 30, 2014, at the New Castle County Courthouse, 500 North King Street, Wilmington, Delaware 19801. At this hearing the Court will consider whether the Settlement is fair, reasonable, and adequate. If there are objections, the Court will consider them. The Court will also decide how much to pay to Class Counsel. After the hearing, the Court will decide whether to approve the Settlement. We do not know how long these decisions will take.

15. Do I have to come to the hearing?

No. Class Counsel will answer questions the Court may have. But, You are welcome to come at Your own expense. If You send an objection, You don't have to come to Court to talk about it. As long as You mailed Your written objection on time, the Court will consider it. You may also pay Your own lawyer to attend, but it's not necessary.

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 proposed Plan of Allocation, or Class Counsel's request for an award of attorneys' fees and reimbursement of Litigation Expenses. Class Members do not need to appear at the hearing or take any other action to indicate their approval.

16. What happens if I do nothing at all?

If You do nothing, You'll get no money from the Settlement. If the Settlement is approved You won't be able to start a lawsuit, or be part of any other lawsuit against the Defendants about the legal issues in this case, ever again.

17. Are there more details about the Settlement?

This notice summarizes the Settlement. More details are in the Settlement Stipulation. For more detailed information about the matters involved in the Consolidated Action, You are referred to the papers on file in the Consolidated Action, including the Settlement Stipulation, which may be inspected during regular business hours of each business day at the Office of the Register in Chancery in the Court of Chancery in the State of Delaware, New Castle County Courthouse, 500 North King Street, Wilmington, DE 19801. Additionally, copies of the Settlement Stipulation and any related orders entered by the Court will be posted on the settlement website at www.orchardstockholderlitigation.com. All questions about this Notice or the Claim Form should be directed to Samuel J. Lieberman, SADIS & GOLDBERG LLP, 551 Fifth Avenue, 21st Floor New York, NY 10176 or by visiting www.orchardstockholderlitigation.com.

18. How do I get more information?

You can call 1-877-797-5688 toll free; write to *Orchard Stockholder Litigation*, P.O. Box 3145, Portland, OR 97208-3145; or visit the website at www.orchardstockholderlitigation.com, where You will find answers to common questions about the Settlement, a claim form, plus other information to help You determine whether You are a Class Member and whether You are eligible for a payment.

NOTICE TO PERSONS OR ENTITIES HOLDING RECORD OWNERSHIP ON BEHALF OF OTHERS.

If You held Orchard common stock during the Class Period for the beneficial interest of a person or entity other than Yourself, You must either (a) within ten (10) calendar days of receipt of this Notice, request from the Claims Administrator sufficient copies of the Notice and Claim Form (the "Notice Packet") to forward to all such beneficial owners and within seven (7) calendar days of receipt of those Notice Packets forward them to all such beneficial owners; or (b) within ten (10) calendar days of receipt of this Notice, provide a list of the names and addresses of all such beneficial owners to *Orchard Stockholder Litigation*, c/o Epiq, P.O. Box 3145, Portland, OR 97208-3145. If You choose the second option, the Claims Administrator will send copies of the Notice and the Claim Form to the beneficial owners. 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 and the Claim Form may also be obtained from the settlement website maintained by the Claims Administrator, www.orchardstockholderlitigation.com, by calling the Claims Administrator toll-free at 1-877-797-5688.

QUESTIONS? CALL 1-877-797-5688 TOLL FREE, OR VISIT WWW.ORCHARDSTOCKHOLDERLITIGATION.COM