

**IN THE UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF COLORADO**

Civil Action No. 1:12-cv-02941-JLK

CRAIG TELKE, and  
WILLIAM DOUGLAS MORELAND,  
Individually and on Behalf of All Others Similarly Situated,

Plaintiffs,

v.

NEW FRONTIER MEDIA, INC.,  
ALAN ISAACMAN,  
MELISSA HUBBARD,  
HIRAM J. WOO, and  
WALTER TIMOSHENKO,

Defendants.

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

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*The United States District Court for the District of Colorado authorized this Notice. This is not a solicitation from a lawyer.*

Please be advised that if you held the common stock of New Frontier Media, Inc. (“New Frontier” or the “Company”) at any time from and including October 15, 2012 through and including November 27, 2012, your rights may be affected by the settlement of a class action lawsuit pending in this Court (the “Action”).

The Parties have reached an agreement to settle the Action for \$2,250,000.00 in cash, which will resolve all claims in the Action.

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

**1. Description of the Action and Class:** This Notice relates to a proposed Settlement of a class action lawsuit pending against defendants New Frontier and the Company’s former directors, Alan Isaacman, Melissa Hubbard, Walter Timoshenko and Hiram J. Woo, arising out of the sale of New Frontier to LFP Broadcasting LLC (“LFP”) via tender offer for \$2.08 per share (consisting of \$2.02 per share in cash plus one contingent value right per share worth up to an additional \$0.06 per share dependent on New Frontier’s cash balance at the close of the tender offer) (the “Acquisition”). LFP completed the Acquisition on November 27, 2012. The proposed Settlement, if approved by the Court, concerns all holders of New Frontier common stock who held such stock at any time from and including October 15, 2012 through and including November 27, 2012 (the “Class”). The period from and including October 15, 2012 through and including November 27, 2012 is the “Class Period.”

**2. Statement of Recovery:** Subject to Court approval, Plaintiffs Craig Telke and William Douglas Moreland (“Plaintiffs”), on behalf of the Class, have agreed to settle all claims relating to the Acquisition that were or could have been asserted against Defendants, any other director or officer of New Frontier, or New Frontier in the Action in exchange for a settlement payment of \$2,250,000 in cash (the “Settlement Amount”) to be deposited into an interest-bearing escrow account. The Settlement Amount, and all interest earned thereon, shall constitute the “Settlement Fund.” The Net Settlement Fund (the Settlement Fund less taxes, notice and administration costs, attorneys’ fees and litigation expenses awarded to counsel representing Plaintiffs and the Class and an incentive award to Plaintiffs) will be distributed in accordance with a plan of allocation (the “Plan of Allocation”) that will be approved by the Court and will determine how the proceeds of the Settlement shall be allocated to the members of the Class. The proposed Plan of Allocation is included in this Notice.

**3. Reasons for Settlement:** The Settlement avoids the costs and risks associated with continued litigation, including the danger of no recovery. If the case had not settled, it could have resulted in dismissal or loss at trial. The two sides disagree about the amount of money that could have been won if Plaintiffs had prevailed at trial. The parties also disagree about the merit of Plaintiffs’ allegations and the amount of damages, if any, suffered by Plaintiffs and the Class.

**4. Statement of Attorneys' Fees and Expenses Sought:** Plaintiffs' Counsel (as defined in ¶5 below) will apply to the Court for an award of attorneys' fees from the Settlement Fund that will total no more than 33% of the Settlement Fund, plus interest on such attorneys' fees at the same rate as earned by the Settlement Fund. In addition, Plaintiffs' Counsel will apply for payment of litigation expenses paid or incurred by Plaintiffs' Counsel in connection with the prosecution and resolution of the Action in an amount not to exceed \$750,000, plus costs, charges and expenses in connection with prosecuting the Action with interest on such expenses at the same net rate as earned by the Settlement Fund. Plaintiffs' Counsel have not received any payment for their work investigating the facts, conducting this litigation and negotiating the Settlement on behalf of Plaintiffs and the Class. In addition, one or more of the Plaintiffs may seek an award from the Court not to exceed \$10,000 for their service to the Class. Any such award will be paid from the fees awarded to Plaintiffs' Counsel.

**5. Identification of Attorneys' Representatives:** Plaintiffs and the Class are being represented by Levi & Korsinsky, LLP and Crane Dunham PLLC, the Court-appointed lead counsel for the Class ("Plaintiffs' Counsel"). Any questions regarding the Settlement should be directed to Shannon L. Hopkins at Levi & Korsinsky, 733 Summer Street, Suite 304, Stamford, CT 06901, or (212) 363-7500.

**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 ("Claim Form") (which is included with this Notice) postmarked or submitted electronically no later than August 31, 2015.
<b>EXCLUDE YOURSELF FROM THE CLASS BY SUBMITTING A WRITTEN REQUEST FOR EXCLUSION SO THAT IT IS RECEIVED NO LATER THAN AUGUST 4, 2015.</b>	Get no payment. This is the only option that allows you to ever be part of any other lawsuit against the Defendants or other Released Persons about the Released Claims.
<b>OBJECT TO THE SETTLEMENT BY SUBMITTING WRITTEN OBJECTIONS FILED WITH THE COURT AND POSTMARKED NO LATER THAN AUGUST 11, 2015.</b>	Write to the Court and explain why you do not like the Settlement, the proposed Plan of Allocation, the request for attorneys' fees and expenses or the request for an incentive award. You cannot object to the Settlement unless you are a Class Member and do not exclude yourself.
<b>GO TO THE HEARING ON AUGUST 25, 2015 AT 10:00 A.M., AND FILE A NOTICE OF INTENTION TO APPEAR SO THAT IT IS RECEIVED BY THE COURT NO LATER THAN AUGUST 11, 2015.</b>	Ask to speak in Court about the fairness of the Settlement, the proposed Plan of Allocation, the request for attorneys' fees and expenses or the incentive award.
<b>DO NOTHING</b>	Get no payment. Remain a Class Member. Give up your rights to pursue further litigation against the Released Persons about the Released Claims.

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

**BASIC INFORMATION**

**6. Why Did I Get This Notice Package?**

You or someone in your family may have held New Frontier common stock during the period between October 15, 2012 (the day before the date that the Acquisition was publicly announced) and November 27, 2012 (the closing date of the Acquisition), inclusive.

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

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

The Court in charge of the case is the United States District Court for the District of Colorado and the case is known as *Craig Telke and William Douglas Moreland v. New Frontier Media, Inc., et. al.*, Civil Action No. 1:12-cv-02941-JLK. The people who

sued are called the Plaintiffs, and the individuals and entity they sued, New Frontier, Alan Isaacman, Melissa Hubbard, Hiram J. Woo and Walter Timoshenko, are called the Defendants.

**7. What Is This Lawsuit About?**

This case was brought as a class action alleging that Defendants' conduct in connection with the Acquisition constituted a breach of fiduciary duties by Defendants. Plaintiffs alleged that Defendants had a duty to avoid favoring their own interests over the interests of the Company's public shareholders, and breached this duty by negotiating and securing material benefits for their own personal benefit at the cost of shareholder value in connection with the Acquisition. Defendants claim that they acted properly and in compliance with their fiduciary duties at all times, and believe that the \$2.06 per share price was a fair and reasonable one which resulted in a premium of 82% over the pre-bidding market price. Defendants also deny the allegations that Plaintiffs or any other members of the Class have suffered damages as a result of his alleged conduct.

**8. Why Is This a Class Action?**

In a class action, one or more people called class representatives (in this case plaintiffs in the Action), sue on behalf of people who have similar claims. Here, all these people are called a Class or Class Members. One court will resolve the issues for all Class Members except for those who timely and properly exclude themselves from the Class. Senior Judge John L. Kane is in charge of this class action.

**9. Why Is There a Settlement?**

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

**WHO IS IN THE SETTLEMENT**

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

**10. How Do I Know if I Am A Class Member?**

You are a member of the Class unless you are excluded by virtue of the definition of the Class or you timely request to be excluded. The Class consists of *holders of New Frontier common stock who held such stock at any time from and including October 15, 2012 through the consummation of the sale of New Frontier to LFP at the price of \$2.06 per share on November 27, 2012, beneficially or of record, and the legal representatives, heirs, successors-in-interest, transferees, and assignees of all such foregoing holders, except those persons and entities that are excluded, as described below.*

**11. What Are the Exceptions to Being Included?**

Excluded by definition from the Class are the Defendants, Defendants' immediate family, and the heirs, administrators, executors and assigns of the Defendants. Also excluded from the Class are the directors and executive officers of New Frontier during the Class Period, LFP and its affiliates, and those persons and entities who timely and validly request exclusion in accordance with the requirements set forth in this Notice (*see* Question 17 below.).

**12. What if I'm Still Not Sure if I Am Included?**

If you are still not sure whether you are included, you can ask for free help. You can call Shannon L. Hopkins at (212) 363-7500 for more information or visit the Claims Administrator's website at [www.rg2claims.com/NewFrontier.html](http://www.rg2claims.com/NewFrontier.html). Or you can fill out and return the Claim Form described in Question 14 below, to see if you qualify.

**THE SETTLEMENT BENEFITS – WHAT YOU GET**

**13. How Much Will My Payment Be?**

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

Defendants have agreed to pay or cause \$2,250,000 in cash to be paid into escrow.

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 members of the Class who submit acceptable Claim Forms (the "Authorized Claimants") in accordance with the Plan of Allocation. No distribution shall be made to Authorized Claimants who would otherwise receive a distribution of less than \$10.00. 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 six (6) months after the initial distribution of such funds will be redistributed to Class Members who have cashed their initial distribution checks and who would receive at least \$10.00 from such redistribution, after payment of any unpaid costs or fees incurred in administering the Net Settlement Fund for such redistribution. If

any funds remain in the Net Settlement Fund six (6) months after such redistribution, then such balance shall be contributed to a non-sectarian not-for-profit organization designated by Plaintiffs' Counsel and approved by the Court.

The Settlement Fund will be distributed as follows:

1. 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);
2. to pay fifty percent (50%) of the costs and expenses in connection with providing Notice to Class Members and administering the Settlement on behalf of Class Members (the Parties have agreed to split these costs, equally);
3. to pay Plaintiffs' Counsel for the costs and expenses that Plaintiffs' Counsel incurred in commencing and prosecuting the Action, with interest thereon, to the extent allowed by the Court;
4. to pay Plaintiffs' Counsel's attorneys' fees to the extent allowed by the Court;
5. to pay Plaintiffs an incentive award for prosecuting this Action on behalf of New Frontier's stockholders; and
6. 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 are not entitled to get back any portion of the Settlement Fund once the Court's Order approving the Settlement becomes Final. Defendants shall 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 Class Member wishing to participate in the distribution must timely submit a valid Claim Form establishing membership in the Class and proof that he, she or it owned New Frontier common stock during the Class Period and tendered his, her or its shares for \$2.06 per share or were cashed out of their New Frontier shares in the back-end merger for \$2.06 per share, and proof of the number of shares tendered or cashed out pursuant to the Acquisition, and include all required documentation, postmarked or submitted electronically no later than August 31, 2015, to the address set forth in the Claim Form that accompanies this Notice. Unless the Court otherwise orders, any Class Member who fails to submit a Claim Form postmarked or submitted electronically by August 31, 2015, shall be forever barred from receiving payments pursuant to the Settlement but will in all other respects remain a Class Member and be subject to the provisions of the Stipulation of Settlement, including the terms of any Judgment entered and releases given. This means that each Class Member releases the Released Claims (as defined in Question 16 below) against the Released Persons (as defined in Question 16 below) and is enjoined and prohibited from filing, prosecuting, or pursuing any of the Released Claims against any of the Released Persons regardless of whether or not such Class Member submits a Claim Form. Any Claim Form submitted to the Claims Administrator after the August 31, 2015, deadline may be rejected as untimely.

The Court has reserved 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. All orders regarding a modification of the Plan of Allocation will be posted on the Claims Administrator's website, [www.rg2claims.com/NewFrontier.html](http://www.rg2claims.com/NewFrontier.html).

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 Plaintiffs, Plaintiffs' Counsel, or the Claims Administrator or other agent designated by Plaintiffs' Counsel arising from distributions made substantially in accordance with the Stipulation of Settlement, the Plan of Allocation, or further orders of the Court. Plaintiffs, Defendant, their respective counsel, and all other Released Persons 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 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.

A "Recognized Claim Amount" will be calculated for each Authorized Claimant.

**Calculation of Recognized Claim Amounts:**

Each share of New Frontier common stock (i) which an Authorized Claimant held between October 15, 2012 and November 27, 2012; (ii) for which such Authorized Claimant received \$2.06 per share in cash pursuant to the Acquisition; and (iii) for which a

valid Claim Form was submitted will be allocated a pro rata share of the Net Settlement Fund. An Authorized Claimant's Recognized Claim Amount will be allocated on a pro rata basis based on the number of shares of New Frontier common stock tendered or cashed out at \$2.06 relative to the total number of shares for which valid Claim Forms are submitted.

**Additional Provisions:**

The Net Settlement Fund will be allocated among all Authorized Claimants.

The Plan of Allocation set forth herein is the plan that is being proposed by Plaintiffs and Plaintiffs' 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

**HOW YOU GET A PAYMENT — SUBMITTING A CLAIM FORM**

**14. How Will I Get a Payment?**

To qualify for payment, you must be a Class Member AND you must send in a valid Claim Form. A Claim Form is enclosed with this Notice. You may also get a Claim Form on the Internet at [www.rg2claims.com/NewFrontier.html](http://www.rg2claims.com/NewFrontier.html). Please read the instructions carefully, fill out the Claim Form, include all the documents the form asks for, sign it, and mail it postmarked or submitted electronically no later than August 31, 2015.

**15. When Will I Get My Payment?**

The Court will hold a hearing on August 25, 2015 at 10:00 a.m., to decide whether to approve the Settlement. If the Court approves the Settlement, there still could be an appeal of that decision. It is always uncertain how these appeals will be resolved, and resolving them can take time, perhaps more than a year. It also takes time for all the Claim Forms to be processed. The Net Settlement Fund cannot be distributed unless and until the Court approves the Settlement, any appeals that may be taken are resolved, and the processing of all Claim Forms has been completed. Please be patient.

**16. What Am I Giving Up to Get a Payment or Stay in the Class?**

If the Settlement is approved, the Court will enter a judgment (the "Judgment"). The Judgment will dismiss with prejudice the claims against Defendants and will provide that Plaintiffs and all other Class Members, on behalf of themselves, their heirs, executors, administrators, predecessors, successors and assigns, shall have – and by operation of law shall be deemed to have – fully, finally, and forever released, waived, discharged, settled, relinquished, and dismissed any and all "Released Claims" (as defined below) including "Unknown Claims" (as defined below), against the "Released Persons, (as defined below).

"Released Claims" means any and all claims which are based on, arise out of, result from, relate 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, things or causes whatsoever, that (i) were alleged, asserted, set forth, or claimed in the Action against the Released Persons; or (ii) could have been alleged, asserted, set forth, or claimed in the Action or in any other action, court (whether state or federal), tribunal, forum, or proceeding by the Releasors including, but not limited to, claims under any and all federal or state securities laws (including those within the exclusive jurisdiction of the federal courts), which arise out of the Class Members' status as former New Frontier stockholders, and which are based on, arise out of, result from, relate in any way to, or involve, directly or indirectly: the Tender Offer, the Merger; the New Frontier Board's recommendation of the Tender Offer and approval of the Merger; the New Frontier Board's consideration, or potential consideration, of the Merger and alternatives to the Merger; disclosures made to New Frontier stockholders in connection with the Tender Offer and Merger; the institution, prosecution, assertion, settlement, or resolution of the Action; or Class Members' ownership of New Frontier common stock during the Class Period; provided, however, that the Released Claims shall not include (i) the right of an Party to enforce the Stipulation; or (ii) any of Defendant's rights to (a) indemnification or (b) insurance coverage under applicable insurance policies.

"Released Persons" means Defendants, LFP and all their past or present directors, officers, shareholders or employees, any and all past or present direct or indirect affiliates, parents, subsidiaries, shareholders, general partners, limited partners, partnerships, members, associates, predecessors, or successors of New Frontier, and their respective officers, directors, managing directors, employees, agents, attorneys, advisors, insurers, accountants, auditors, trustees, financial advisors, lenders, investment bankers, representatives, heirs, executors, personal representatives, estates, administrators, predecessors, successors, and assigns of any of the foregoing.

"Unknown Claims" means any and all Released Claims that any Plaintiff or Class Member does not know or suspect to exist in his, her or its favor at the time of the release of the Released Claims against the Released Persons, including, without limitation, claims which if known by him, her or it, might have affected his, her, or its decision(s) with respect to the Settlement. With respect to any and all Released Claims and any and all Released Persons' Claims, the parties stipulate and agree that upon the Effective Date, Plaintiffs and Defendant shall expressly waive, and every other Class Member and every other Released Person shall be deemed to have waived, and by operation of the Judgment shall have expressly waived, any and all provisions, rights, and benefits conferred by any law of any state or territory of the United States, or principle of common law, that is similar, comparable, or equivalent to Cal. Civ. 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.

The Judgment also will provide that Defendants and/or their successors and assigns shall have — and by operation of law shall be deemed to have — fully, finally, and forever released, waived, discharged, settled, relinquished, and dismissed, any and all claims, rights or causes of action or liabilities whatsoever, 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 Action or any forum by the Defendant and/or his successors and assigns against any of the Plaintiffs or their attorneys, which arise out of or relate in any way to the institution, prosecution, or settlement of the Action (except for claims to enforce the Settlement) (the “Released Persons Claims”).

## **EXCLUDING YOURSELF FROM THE SETTLEMENT**

If you want to keep the right to sue or continue to sue Defendant and the other Released Persons on your own about the Released Claims, then you must take steps to get out of the Class.

This is called excluding yourself or is sometimes referred to as “opting out” of the Class. If you choose to exclude yourself from the Class, you will get no money from the Settlement.

### **17. How Do I Get out of the Class?**

To exclude yourself from the Class, you must mail a written Request for Exclusion from the Class, addressed to *New Frontier Media, Inc. Shareholder Litigation – EXCLUSIONS* - c/o RG/2 Claims Administration LLC, P.O. Box 59479, Philadelphia, PA 19102-9479 or you may hand-deliver a written such request to the Claims Administrator at RG/2 Claims Administration, LLC, 30 S. 17<sup>th</sup> Street, 5<sup>th</sup> Floor, Philadelphia, PA 19103. The Request for Exclusion must be **received** no later than August 4, 2015. 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 “*Craig Telke and William Douglas Moreland v. New Frontier Media, Inc., et. al.*, Civil Action No. 1:12-cv-02941-JLK”; (iii) be signed by the person or entity requesting exclusion; (iv) provide a telephone number for that person or entity; and (v) provide the number of shares of New Frontier common stock that the person or entity held during the period October 15, 2012 through and including November 27, 2012. Requests for Exclusion will not be valid if they are not received within the time stated above, unless the Court otherwise determines.

### **18. If I Do Not Exclude Myself, Can I Sue Defendant and the other Released Persons for the Same Thing Later?**

No. Unless you exclude yourself, you give up any right to sue Defendant and the other Released Persons about the Released Claims. If you have a pending lawsuit against the Defendant, speak to your lawyer in that case immediately. Remember, the exclusion deadline is August 4, 2015.

### **19. If I Exclude Myself, Can I Get Money from This Settlement?**

No. If you exclude yourself, do not send in a Claim Form.

## **THE LAWYERS REPRESENTING YOU**

### **20. Do I Have a Lawyer in This Case?**

The law firms of Levi & Korsinsky, LLP and Crane Dunham PLLC represent you and the other Class Members in the Action. These lawyers are called Plaintiffs’ Counsel. You will not be charged for these lawyers. They will be paid from the Settlement Fund to the extent the Court approves their application for attorneys’ fees and expenses. If you want to be represented by your own lawyer, you may hire one at your own expense.

### **21. How Will the Lawyers Be Paid?**

Plaintiffs’ Counsel will request an award of attorneys’ fees from the Settlement Fund that will total no more than 33% of the Settlement Fund, and payment of litigation expenses that will total no more than \$100,000.00. Such sums as may be approved by the Court will be paid from the Settlement Fund. Class Members are not personally liable for any such fees or expenses.

The attorneys’ fees and expenses requested will be the only payment to Plaintiffs’ Counsel for their efforts in achieving this Settlement and for their risk in undertaking this representation on a wholly contingent basis. To date, Plaintiffs’ Counsel have not been paid for their services for conducting this litigation on behalf of the Plaintiffs and the Class nor for their substantial expenses. The fee requested will compensate Plaintiffs’ Counsel for their work in achieving the Settlement Fund and is within the range of fees awarded to class counsel under similar circumstances in other cases of this type.

## OBJECTING TO THE SETTLEMENT

You can tell the Court that you don't agree with the Settlement or some part of it.

### 22. How Do I Tell the Court that I Don't Like the Settlement?

Any Class Member who does not make a request for exclusion received no later than August 4, 2015, may object to the Settlement, the Plan of Allocation, Plaintiffs' Counsel's request for an award of attorneys' fees and expenses or Plaintiffs' request for an incentive award. Objections must be in writing, and must include your name, address, telephone number, your signature, and the number of shares of New Frontier common stock you held between October 15, 2012 and November 27, 2012. You must file any written objection, together with copies of all other papers (including proof of shares of New Frontier common stock that you held between October 15, 2012 and November 27, 2012, and briefs, with Clerk of the Court for the U.S. District Court for the District of Colorado, at the address set forth below on or before August 11, 2015. You must also serve the papers on Plaintiffs' Counsel and Defendant's Counsel at the addresses set forth below so that the papers are received by counsel on or before August 11, 2015.

#### *The Court:*

Clerk of the Court  
ALFRED A. ARRAJ UNITED STATES COURTHOUSE  
901 19<sup>th</sup> Street  
Denver, Colorado 80294

#### *Co-Lead Counsel:*

LEVI & KORSINSKY, LLP  
Shannon L. Hopkins  
733 Summer Street,  
Suite 304  
Stamford, CT 06901

#### *Counsel for Defendants*

JONES AND KELLER, P.C.  
Stuart N. Bennett  
1999 Broadway, Suite 3150  
Denver, CO 80202

**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, Plaintiffs' Counsel's request for an award of attorneys' fees and of expenses or Plaintiffs' request for an incentive award. Class Members do not need to appear at the hearing or take any other action to indicate their approval.**

### 23. What's the Difference Between Objecting and Excluding?

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

## THE COURT'S SETTLEMENT HEARING

The Court will hold a hearing to decide whether to approve the proposed Settlement (the "Settlement Hearing"). You may attend and you may ask to speak, but you don't have to.

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

The Court will hold a Settlement Hearing at 10:00 a.m., on August 25, 2015, at the Alfred A. Arraj United States Courthouse, 901 19<sup>th</sup> Street, Denver, Colorado 80294 in Courtroom A802. At the Settlement Hearing, the Court also will consider the proposed Plan of Allocation for the proceeds of the Settlement, the application of Plaintiffs' Counsel for attorneys' fees and expenses and the application for an incentive award to Plaintiffs. The Court will take into consideration any written objections filed in accordance with the instructions at Question 22 above. The Court also may listen to people who have properly indicated, within the deadline identified above, an intention to speak at the hearing; but decisions regarding the conduct of the hearing will be made by the Court. See Question 26 below for more information about speaking at the hearing. After the hearing, the Court will decide whether to approve the Settlement. We do not know how long these decisions will take.

You should be aware that the Court may change the date and time of the Settlement Hearing without further notice to the Class. Thus, if you want to come to the hearing, you should check with Plaintiffs' Counsel before coming to be sure that the date and/or time has not changed.

### 25. Do I have to Come to the Settlement Hearing?

No. Plaintiffs' Counsel will answer questions the Judge may have. But, you are welcome to come at your own expense. If you send an objection, you do not have to come to Court to talk about it. As long as you mailed your written objection on time, the

Court will consider it. You may also pay your own lawyer to attend, but it is not necessary. Class Members do not need to appear at the hearing or take any other action to indicate their approval.

**26. May I Speak at the Hearing?**

If you object to the Settlement, you may ask the Court for permission to speak at the Settlement Hearing. To do so, you must send a letter to the Court saying that it is your “Notice of Intention to Appear in “*Craig Telke and William Douglas Moreland v. New Frontier Media, Inc., et. al.*, Civil Action No. 1:12-cv-02941-JLK.” Be sure to include your name, address, telephone number, your signature, and the number of shares of New Frontier common stock that you held between October 15, 2012 and November 27, 2012. Your notice of intention to appear must be received no later than August 11, 2015, and be sent to the Clerk of the Court, Plaintiffs’ Counsel, and Defendant’s Counsel, at the addresses listed in Question 22. You cannot speak at the Settlement Hearing if you exclude yourself from the Class.

**IF YOU DO NOTHING**

**27. What Happens if I Do Nothing at All?**

If you do nothing, you’ll get no money from the Settlement. But, unless you exclude yourself, you won’t be able to start a lawsuit, continue with a lawsuit, or be part of any other lawsuit against Defendant and the other Released Persons about the Released Claims.

**SPECIAL NOTICE TO NOMINEES**

**28. What if I Held Shares on Someone Else’s Behalf?**

If you held New Frontier common stock between October 15, 2012 and November 27, 2012 as a nominee for a beneficial owner, then, within ten (10) calendar days after you receive this Notice, you must either: (1) send a copy of this Notice and the Claim Form by first-class mail to all beneficial owners of the shares; or (2) provide a list of the names and addresses of such beneficial owners to the Claims Administrator:

*New Frontier Media, Inc. Shareholder Litigation*  
RG/2 Claims Administration LLC  
PO Box 59479  
Philadelphia, PA 19102-9479  
Telephone: (866) 742-4955  
[www.rg2claims.com/NewFrontier.html](http://www.rg2claims.com/NewFrontier.html)

If you choose to mail this Notice and the Claim Form yourself, you may obtain from the Claims Administrator (without cost to you) as many additional copies of these documents as you will need to complete the mailing.

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

**GETTING MORE INFORMATION**

**29. Are There More Details About the Settlement?**

This Notice summarizes the proposed Settlement. More details are in the Stipulation of Settlement dated April 27, 2015. You can review a copy of the Stipulation of Settlement at the Clerk’s office at the Alfred A. Arraj United States Courthouse, 901 19<sup>th</sup> Street, Denver, Colorado 80294, during regular business hours or you may view it on the website maintained by the Claims Administrator at [www.rg2claims.com/NewFrontier.html](http://www.rg2claims.com/NewFrontier.html).

**30. How Do I Get More Information?**

You can call or write to Shannon L. Hopkins, c/o Levi & Korsinsky, LLP, 733 Summer Street, Suite 304, Stamford, CT 06903, (212) 363-7500, or visit the Claims Administrator’s website at [www.rg2claims.com/NewFrontier.html](http://www.rg2claims.com/NewFrontier.html).

**PLEASE DO NOT CONTACT THE COURT OR THE CLERK’S OFFICE REGARDING THIS NOTICE**

DATED: May 18, 2015

BY ORDER OF THE U.S. DISTRICT COURT FOR THE DISTRICT OF COLORADO