

SEP 14 2016

Sherri R. Carter, Executive Officer/Clerk

By *KJ*, Deputy
Kelly Jameson

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SUPERIOR COURT OF THE STATE OF CALIFORNIA
COUNTY OF LOS ANGELES

IN RE PACIFIC COAST OIL TRUST
SECURITIES LITIGATION

Lead Case No. BC550418
(Consolidated with Case No. BC560944)

This document relates to:

Assigned for all purposes to the
Hon. Elihu M. Berle

ALL ACTIONS.

**[PROPOSED] PRELIMINARY APPROVAL
ORDER**

1 WHEREAS, on July 1, 2016, the Parties¹ to the above-entitled action (the “Action”) entered
2 into a Stipulation and Agreement of Settlement (the “Stipulation”) which is subject to review by this
3 Court and which, together with the exhibits thereto, sets forth the terms and conditions for the
4 proposed Settlement of the claims alleged in the Action on the merits and provides for the entry of
5 judgment in the Action; and the Court having read and considered the Stipulation and the
6 accompanying documents; and the parties to the Stipulation having consented to the entry of this
7 Order; and all capitalized terms used herein having the meanings defined in the Stipulation;

8 NOW, THEREFORE, IT IS HEREBY ORDERED, this 19th day of August, 2016 that:

9 1. Pursuant to California Code of Civil Procedure §382 and California Rules of Court
10 3.765 and 3.769, and for the purposes of the Settlement only, this Action is hereby preliminarily
11 certified as a class action on behalf of all Persons who purchased or otherwise acquired trust units of
12 Pacific Coast Oil Trust between May 2, 2012 and July 1, 2014, inclusive (the “Class”). Excluded
13 from the Class are: all Defendants; all officers and directors of Defendants as of the date of or in the
14 year preceding the IPO; the members of the immediate families of any of the foregoing; any entity
15 in which any Defendant has or had a controlling interest; and the legal representatives, heirs,
16 successors, or assigns of any excluded Person. Also excluded from the Class are any Class
17 Members who timely and validly exclude themselves from the Class in response to the requirements
18 of the Notice.

19 2. The Court preliminarily finds, for the purposes of the Settlement only, that the
20 prerequisites for a class action under California Code of Civil Procedure §382 have been satisfied in
21 that: (a) the number of Class Members is so numerous that joinder of all members thereof is
22 impracticable; (b) Class Members are ascertainable; (c) there are questions of law and fact common

23
24 ¹ As used herein, the term “Parties” means Plaintiffs Thomas Welch and Ralph Berliner
25 (“Plaintiffs”), on behalf of themselves and the Class (as defined below), and Defendants Pacific
26 Coast Oil Trust (“PCOT”), Pacific Coast Energy Company LP, PCEC (GP) LLC, Pacific Coast
27 Energy Holdings LLC, Halbert S. Washburn, Randall H. Breitenbach (“PCOT Defendants”), and
28 Barclays Capital Inc.; Citigroup Global Markets Inc.; Merrill Lynch, Pierce, Fenner & Smith
Incorporated; J.P. Morgan Securities LLC; UBS Securities LLC; Wells Fargo Securities, LLC; RBC
Capital Markets, LLC; Robert W. Baird & Co. Incorporated; Stifel, Nicolaus & Company,
Incorporated; Oppenheimer & Co. Inc.; Janney Montgomery Scott LLC; and Morgan Stanley & Co.
LLC (together with the PCOT Defendants, “Defendants”).

1 to the Class; (d) the claims of the Plaintiffs are typical of the claims of the Class they seek to
2 represent; (e) Plaintiffs and Plaintiffs' Counsel will fairly and adequately represent the interests of
3 the Class; (f) the questions of law and fact common to the members of the Class predominate over
4 any questions affecting only individual members of the Class; and (g) a class action is superior to
5 other available methods for the fair and efficient adjudication of this controversy. These findings
6 are not based on any admissions, representations, assertions, or arguments by Defendants that a
7 class can, should, or would be certified in this Action, and these findings are made while fully
8 preserving the Defendants' right to argue, in the event that the Settlement does not become Final or
9 is terminated pursuant to the Stipulation, that no class can or should be certified in this Action.

10 3. For the purposes of the Settlement only, Plaintiffs Thomas Welch and Ralph Berliner
11 are conditionally certified as the Class Representatives for the Action and the law firms of
12 Scott+Scott, Attorneys at Law, LLP, and Glancy Prongay & Murray LLP are conditionally
13 appointed as Co-Lead Counsel for the Class.

14 4. The Court preliminarily finds that:

15 (a) the proposed Settlement resulted from informed, extensive arm's-length
16 negotiations;

17 (b) Class counsel has concluded that the proposed Settlement is fair, reasonable,
18 and adequate; and

19 (c) the proposed Settlement is sufficiently fair, reasonable, and adequate to
20 warrant sending notice of the Settlement to the Class.

21 5. A hearing (the "Settlement Fairness Hearing") is hereby scheduled to be held before
22 the Court on March 2, 2017, at 9:00 a.m. in Department 323 at the Los Angeles County Superior
23 Court, Central Civil West, 600 South Commonwealth Ave., Los Angeles, CA 90005, for the
24 following purposes:

25 (a) to finally determine whether this Action satisfies the applicable prerequisites
26 for class action treatment under California Code of Civil Procedure §382;

27 (b) to determine whether the proposed Settlement is fair, reasonable, and
28 adequate, and should be approved by the Court;

1 (c) to determine whether the Final Judgment as provided under the Stipulation
2 should be entered, and to determine whether the releases contemplated by the Stipulation should
3 become effective;

4 (d) to determine whether the proposed Plan of Allocation for the proceeds of the
5 Settlement is fair and reasonable, and should be approved by the Court;

6 (e) to consider Co-Lead Counsel's application for an award of attorneys' fees
7 and expenses;

8 (f) to consider Plaintiffs' requests for the reimbursement of the costs and
9 expenses (including lost wages) they incurred in prosecuting this Action on behalf of the Class;

10 (g) to determine whether an order should be entered barring and enjoining
11 Plaintiffs and all Class Members from instituting, commencing, maintaining or prosecuting, either
12 directly, indirectly, or in a representative capacity, any action in any court or tribunal asserting any
13 Settled Claims against any of the Released Parties; and

14 (h) to rule upon such other matters as the Court may deem appropriate.

15 6. The Court reserves the right to approve the Settlement with or without modification
16 and with or without further notice to the Class and may adjourn the Settlement Fairness Hearing
17 without further notice to the Class. The Court reserves the right to enter its Final Judgment
18 approving the Stipulation regardless of whether it has approved the Plan of Allocation, Plaintiffs'
19 request for the reimbursement of costs and expenses, or Co-Lead Counsel's application for an
20 award of attorneys' fees and expenses.

21 7. The Court approves the form, substance, and requirements of the Notice of Proposed
22 Settlement of Class Action (the "Notice"), the Summary Notice of Proposed Settlement of Class
23 Action (the "Summary Notice") and the Proof of Claim and Release (the "Proof of Claim"),
24 annexed hereto as Exhibits A-1, A-2 and A-3, respectively.

25 8. The Court approves the appointment of KCC LLP as the Claims Administrator.

26 (a) The Claims Administrator shall cause the Notice and the Proof of Claim,
27 substantially in the forms annexed hereto, to be mailed, by first class mail, postage prepaid, by
28 October 2, 2016, to all Class Members who can be identified with reasonable effort from the books

1 and records regularly maintained by Pacific Coast Oil Trust. By September 2, 2016, Pacific Coast
2 Oil Trust shall make the last known addresses of Class Members, or other identifying information,
3 as set forth in those books and records, available to the Claims Administrator for the purpose of
4 identifying and giving notice to the Class.

5 (b) The Claims Administrator shall cause the Summary Notice to be published
6 once in the national edition of *Investor's Business Daily*, and once over the *PR Newswire*, within 10
7 calendar days after the mailing of the Notice.

8 (c) Co-Lead Counsel shall, at or before the Settlement Fairness Hearing, file with
9 the Court proof of mailing of the Notice and Proof of Claim form and proof of publication of the
10 Summary Notice.

11 9. The form and content of the Notice and the Summary Notice, and the method set
12 forth herein of notifying the Class of the Settlement and its terms and conditions, meet the
13 requirements of the California Code of Civil Procedure, the California Rules of Court, and due
14 process, constitute the best notice practicable under the circumstances, and shall constitute due and
15 sufficient notice to all persons and entities entitled thereto.

16 10. In order to be entitled to participate in the Net Settlement Fund, in the event the
17 Settlement is consummated in accordance with its terms set forth in the Stipulation, each Class
18 Member shall take the following actions and be subject to the following conditions:

19 (a) A properly executed Proof of Claim, substantially in the form attached hereto
20 at Exhibit A-3, must be submitted to the Claims Administrator, at the Post Office box indicated in
21 the Notice, not later than February 2, 2017. Such deadline may be further extended by Court Order.
22 Each Proof of Claim shall be deemed to have been submitted when postmarked (if properly
23 addressed and mailed by first class mail, postage prepaid), provided such Proof of Claim is actually
24 received prior to the motion for an order of the Court approving distribution of the Net Settlement
25 Fund. Any Proof of Claim submitted in any other manner shall be deemed to have been submitted
26 when it was actually received at the address designated in the Notice.

27 (b) The Proof of Claim submitted by each Class Member must satisfy the
28 following conditions: (i) it must be properly completed, signed and submitted in a timely manner in

1 accordance with the provisions of the preceding subparagraph; (ii) it must be accompanied by such
2 documents or proof as Plaintiffs' Counsel and the Claims Administrator, in their discretion, may
3 deem acceptable; (iii) if the Person executing the Proof of Claim is acting in a representative
4 capacity, a certification of his, her or its current authority to act on behalf of the Class Member must
5 be included in the Proof of Claim; and (iv) the Proof of Claim must be complete and contain no
6 material deletions or modifications of any of the printed matter contained therein and must be
7 signed under penalty of perjury.

8 (c) As part of the Proof of Claim, each Class Member shall (subject to
9 effectuation of the Settlement) release all Settled Claims as provided in the Stipulation against the
10 Released Parties.

11 11. Class Members shall be bound by the Stipulation and all determinations and
12 judgments in this Action concerning the Settlement, including, but not limited to, the releases
13 provided for therein, whether favorable or unfavorable, unless they request exclusion from the Class
14 in a timely and proper manner, as hereinafter provided. A Class Member wishing to make such
15 request shall mail a request for exclusion in written form by to Pacific Coast Oil Trust Securities
16 Litigation Settlement, c/o KCC Class Action Services, 3301 Kerner Boulevard, San Rafael, CA
17 94901. Such request for exclusion shall clearly indicate the name, address and telephone number of
18 the person seeking exclusion, that the sender requests to be excluded from the Class and the
19 Settlement, and must be signed by such person. Copies of all such papers must be post-marked no
20 later than February 2, 2017. The request for exclusion shall not be effective unless it provides the
21 required information and is made within the time stated above, or unless the exclusion is otherwise
22 accepted by the Court. Class Members requesting exclusion from the Class shall not be entitled to
23 receive any payment out of the Net Settlement Fund as described in the Stipulation and Notice.
24 Any Class Member that does not timely and validly request exclusion from the Class in the manner
25 stated in this Order: (a) shall be deemed to have waived his, her, or its right to be excluded from the
26 Class; (b) shall be forever barred from requesting exclusion from the Class in this or any other
27 proceeding; (c) shall be bound by the provisions of the Stipulation and Settlement and all
28 proceedings, determinations, orders and judgments in the Action, including, but not limited to, the

1 Judgment, or the Alternate Judgment, if applicable, and the Releases provided for therein, whether
2 favorable or unfavorable to the Class; and (d) will be barred from commencing, maintaining or
3 prosecuting any of the Settled Claims against any of the Released Parties, as more fully described in
4 the Stipulation and Notice.

5 12. The Court will consider comments and/or objections to the Settlement, the Plan of
6 Allocation, the reimbursement of Plaintiffs' costs and expenses, or the award of attorneys' fees and
7 reimbursement of expenses only if such comments or objections and any supporting papers,
8 accompanied by proof of Class membership, are sent by mail to the Claims Administrator at:
9 Pacific Coast Oil Trust Securities Litigation Settlement, c/o KCC Class Action Services, 3301
10 Kerner Boulevard, San Rafael, CA 94901. Copies of all such papers must be post-marked no later
11 than February 2, 2017. Attendance at the Settlement Fairness Hearing is not necessary; however,
12 persons wishing to be heard orally at the hearing in opposition to the approval of the Settlement, the
13 Plan of Allocation, and/or the Fee and Expense Application are required to indicate in their written
14 objection their intention to appear at the hearing. Persons who intend to object to the Settlement,
15 the Plan of Allocation, and/or the Fee and Expense Application and desire to present evidence at the
16 Settlement Fairness Hearing must include in their written objections copies of any exhibits they
17 intend to introduce into evidence at the Settlement Fairness Hearing. If an objector hires an
18 attorney to represent him, her, or it for the purposes of making an objection, the attorney must both
19 effect service of a notice of appearance on counsel listed above and file it with the Court by no later
20 than 10 calendar days before the Settlement Fairness Hearing. Class Members do not need to
21 appear at the hearing or take any other action to indicate their approval of the Settlement.

22 13. Upon receiving any objection(s) and/or request(s) for exclusion, the Claims
23 Administrator shall within three (3) business days notify (1) Lead Counsel and Defendants' Counsel
24 via email, and (2) the Court via first class mail, postage prepaid, of such objection(s) and/or requests
25 for exclusion.

26 14. All motions and papers in support of the Settlement, the Plan of Allocation, and any
27 application by counsel for Plaintiffs for attorneys' fees and expenses shall be filed and served no
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1 later than December 2, 2016. Any reply papers shall be filed by February 17, 2017. The Claims
2 Administrator's declaration will also be filed by February 17, 2017.

3 15. All proceedings in the Action are stayed until further order of the Court, except as
4 may be necessary to implement the Settlement or comply with the terms of the Stipulation. Pending
5 final determination of whether the Settlement should be approved, Plaintiffs, all Class Members,
6 and each of them, and anyone who acts or purports to act on their behalf, shall not institute,
7 commence, maintain, or prosecute, and are hereby barred and enjoined from instituting,
8 commencing, maintaining, or prosecuting, any action in any court or tribunal that asserts Settled
9 Claims against any Released Party.

10 16. As provided in the Stipulation, Co-Lead Counsel may pay the Claims Administrator
11 the reasonable and customary fees and costs associated with giving Notice to the Class and the
12 review of claims and administration of the Settlement, up to \$150,000, out of the Settlement Fund
13 without further order of the Court.

14 17. If any specified condition to the Settlement set forth in the Stipulation is not satisfied
15 and Plaintiffs' Counsel or Defendants elect to terminate the Settlement, or if the Settlement is not
16 finally approved or otherwise fails to become effective for any reason, then, in any such event, the
17 Stipulation, including any amendment(s) thereof, and this Preliminary Order conditionally
18 certifying the Class and the Class Representatives for purposes of the Settlement shall be null and
19 void, of no further force or effect, and without prejudice to any party, and may not be introduced as
20 evidence or referred to in any Action or proceedings by any person or entity for any purpose, and
21 each party shall be restored to his, her or its respective position as it existed on December 1, 2015,
22 and the provisions of paragraph 56 of the Stipulation shall apply.

23 18. The Court may adjourn or continue the Settlement Fairness Hearing without further
24 written notice.


1 19. The Court retains exclusive jurisdiction over the Action to consider all further
2 matters arising out of or connected with the Settlement.

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4 Dated: SEPT. 14, 2016

ELIHU M. BERLE

HONORABLE ELIHU M. BERLE
SUPERIOR COURT OF THE STATE OF
CALIFORNIA, COUNTY OF LOS
ANGELES

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9 Submitted by:
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