



IN THE COURT OF CHANCERY OF THE STATE OF DELAWARE

ADAM KLEINMAN and PETER REED,)
individually and on behalf of all others)
similarly situated,)

Plaintiffs,)

C.A. No. 10552-CB

v.)

JONATHAN COUCHMAN, ADAM)
FINERMAN, STEVE SCHEIWE and)
XSTELOS HOLDINGS, INC.,)
a Delaware Corporation)

Defendants.)

**NOTICE OF PENDENCY OF CLASS ACTION,
PROPOSED CLASS ACTION DETERMINATION,
PROPOSED SETTLEMENT OF CLASS ACTION,
SETTLEMENT HEARING AND RIGHT TO APPEAR**

TO: ALL RECORD HOLDERS AND BENEFICIAL OWNERS OF COMMON STOCK OF XSTELOS HOLDINGS, INC. (“XSTELOS”) ON SEPTEMBER 23, 2014 (“CASH OUT DATE”), INCLUDING THE LEGAL REPRESENTATIVES, HEIRS, PREDECESSORS AND SUCCESSORS-IN-INTEREST, TRANSFEREES OR ASSIGNS OF ALL SUCH HOLDERS AND OWNERS, IMMEDIATE AND REMOTE, EXCLUDING THE DEFENDANTS AND THEIR AFFILIATES AND THE HOLDERS OF CLASS B SHARES AND THEIR AFFILIATES.

PLEASE READ ALL OF THIS NOTICE CAREFULLY AND IN ITS ENTIRETY. YOUR RIGHTS MAY BE AFFECTED BY THE LEGAL PROCEEDINGS IN THIS ACTION. THIS NOTICE RELATES TO A PROPOSED SETTLEMENT OF LITIGATION AND CONTAINS IMPORTANT INFORMATION REGARDING YOUR RIGHTS. IF THE COURT APPROVES THE PROPOSED SETTLEMENT OF THIS LAWSUIT, YOU WILL BE FOREVER

BARRED FROM CONTESTING THE FAIRNESS, REASONABLENESS, OR ADEQUACY OF THE PROPOSED SETTLEMENT AND RELATED MATTERS, AND FROM PURSUING THE RELEASED CLAIMS (AS DEFINED HEREIN).

IF YOU HELD XSTELOS COMMON STOCK FOR THE BENEFIT OF A PERSON OR ENTITY OTHER THAN YOURSELF, PLEASE PROMPTLY TRANSMIT THIS DOCUMENT TO SUCH PERSON OR ENTITY.

THE PURPOSE OF THIS NOTICE

1. The purpose of this Notice is to inform you of the above-captioned action (the “Action”) pending in the Court of Chancery of the State of Delaware (the “Court”), and a proposed settlement (the “Settlement”) of the Action pursuant to the Stipulation of Settlement dated April 5, 2017, in the Action (the “Stipulation”). This Notice also informs you of the Court’s temporary certification of a Class (as defined in the following paragraph) for purposes of the Settlement, and of your right to participate in a hearing to be held on July 19, 2017, at 10 a.m. before the Court at the Leonard L. Williams Justice Center, 500 North King Street, Wilmington, Delaware 19801 (the “Settlement Hearing”) to determine:

- a. Whether the Court should certify the Class for purposes of the Settlement;
- b. Whether the Settlement should be approved by the Court as fair, reasonable, adequate and in the best interests of the Class;
- c. Whether the Court should enter an Order and Final Judgment pursuant to the Stipulation;

- d. If the Court approves the Settlement, whether the Court should approve Plaintiffs' application for an award of Plaintiffs' Counsel's attorneys' fees and expenses;
- e. To hear and determine any objections to the Settlement, to final certification of the Class, or to Plaintiffs' application for an award of Plaintiffs' Counsel's attorneys' fees and expenses award; and
- f. To hear such other matters as the Court may deem appropriate.

2. The Court has determined that, for purposes of the Settlement only, the Action shall be temporarily maintained as a non-opt-out class action under Court of Chancery Rules 23(a) and 23(b)(1), by Adam Kleinman and Peter Reed (the "Plaintiffs") as Class representatives, on behalf of a class consisting of any and all record and beneficial owners of Company common stock who were cashed out in the reverse stock split on September 23, 2014, their respective successors in interest, successors, predecessors in interest, predecessors, representatives, trustees, executors, administrators, heirs, assigns or 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 (the "Class). Excluded from the Class is each Defendant and any affiliate, legal representative, heir, successor in interest, transferee or assign, immediate or remote, of, and any person, firm, trust, corporation, partnership or other entity related to or affiliated with, any Defendant. Also excluded from the

Class are any shares that were converted to Class B stock in connection with the Cash Out Transaction (as defined below).¹

3. This Notice describes the rights you may have under the Settlement and what steps you may, but are not required to, take in relation to the Settlement.

4. If the Court approves the Settlement, the parties to the Action will ask the Court to enter an Order and Final Judgment (as described below) dismissing the Action with prejudice in its entirety on the merits in accordance with the terms of the Stipulation.

SUMMARY DISCLOSURE OF SETTLEMENT TERMS

Class Recovery: The Defendants in this action are paying \$1.0 million (the “Settlement Consideration”) to settle all claims that were or could have been asserted against them in this Action. If approved by the Court, a portion of the Settlement Consideration will be applied in payment of attorneys’ fees, costs and expenses, and costs to administer the Settlement. Pursuant to the terms of the Stipulation, the net amount remaining after such fees, expenses and charges (“Net Settlement Fund”) will be distributed to the Class.

¹ Any person, or entity affiliated with such person, who became a Class B stockholder in connection with the Cash Out Transaction, are excluded from participation in the Settlement. For example, if a person held shares in an IRA account that were cashed out, but that person individually thereafter received Class B shares, such person’s IRA account shares that were cashed out are not entitled to participate in the Settlement.

THE RECITATION HEREIN DOES NOT CONSTITUTE FINDINGS OF THE COURT AND SHOULD NOT BE UNDERSTOOD AS AN EXPRESSION OF ANY OPINION OF THE COURT AS TO THE MERITS OF ANY CLAIMS OR DEFENSES BY ANY OF THE PARTIES. IT IS BASED ON STATEMENTS OF THE PARTIES AND IS SENT FOR THE SOLE PURPOSE OF INFORMING YOU OF THE EXISTENCE OF THIS ACTION AND OF A HEARING ON A PROPOSED SETTLEMENT SO THAT YOU MAY MAKE APPROPRIATE DECISIONS AS TO STEPS YOU MAY, OR MAY NOT, WISH TO TAKE IN RELATION TO THIS ACTION.

BACKGROUND AND REASONS FOR SETTLEMENT

5. On September 19, 2014, the Defendants acted by written consent to effect a transaction that cashed out certain Company stockholders, whereby they: (i) created Class A and Class B stock, with all the Company's existing stockholders becoming Class A stockholders; (ii) certain stockholders exchanged their Class A stock for Class B stock; (iii) conducted a reverse stock split cashing out all Class A stockholders holding less than 2,000,000 shares; and (iii) conducted a forward split of the Class A stock. After the reverse stock split, the holders of less than 2,000,000 shares of Class A stock were cashed out in exchange for the right to receive \$0.34 per share (the "Cash Out Transaction").

6. Plaintiffs were stockholders of the Company on the Cash Out Date, September 23, 2014, the time of the Cash Out Transaction, and before the reverse stock split each held less than 2,000,000 shares of Class A stock.

7. Plaintiffs filed the Complaint on January 16, 2015, on behalf of themselves and a class of others similarly situated.

8. The parties engaged in fact discovery and expert discovery. Counsel for the Plaintiffs conducted investigations and discovery that include, among other things, fact and expert depositions, a review of publicly available documents, and a review of confidential documents produced by the Defendants. Plaintiffs also served subpoenas on third parties: (i) Capstone Advisory Group, LLC, (ii) Navigant Consulting, Inc., and (iii) Olshan, Grundman, Frome, Rosensweig and Wolosky, LLP.

9. At the time of the Settlement, all of Plaintiffs' claims remained to be tried: Count I (Class Claim for Breach of Fiduciary Duty) and Count II (Class Claim for Unjust Enrichment).

10. It was contemplated that, if the Action continued, the Parties would incur substantial further expenses in pending motion practice, trial preparation and trial, the outcome of which was uncertain. Additionally, the Parties could seek to appeal any final judgment that may have been entered after a trial, which appeal would require further expense and the outcome of which was also uncertain.

11. Plaintiffs and Plaintiffs' Counsel believe that the claims asserted against Defendants have merit, and that their prosecution of the claims asserted in the Action has led to a Settlement that provides substantial benefits for the Class.

12. Each of the Defendants has denied, and continues to deny, that he or it committed, or aided and abetted the commission of, any breach of fiduciary duty, or any other law, or engaged in any of the wrongful acts alleged in the Action, and expressly maintains that he or it diligently and scrupulously complied with his or its fiduciary and other legal duties, to the extent such duties exist, and is entering into this settlement solely to eliminate the burden, expense, distraction and uncertainties inherent in further litigation.

13. Representatives of the Parties to the Action have held extensive arm's-length discussions and negotiations in an effort to resolve the claims asserted in the Action and as a result, on March 1, 2017, entered into an agreement in principle to settle the Action.

14. Plaintiffs have agreed to settle the claims raised in the Action pursuant to the terms and provisions of the Stipulation, after considering: (i) the substantial benefits that Plaintiffs and other members of the Class will receive from the resolution of the Action; (ii) the legal and factual defenses that Defendants would continue to assert in the Action, including any appeals, and the attendant risks of litigation; and (iii) the desirability of permitting the Settlement to be consummated as provided by the terms of the Stipulation. The Settlement and the Stipulation shall in no event be construed as, or deemed to be, evidence of a concession by

Plaintiffs or Plaintiffs' Counsel of any lack of merit or infirmity in the claims asserted in the Action.

15. On March 2, 2017, the Parties informed the Court that they had executed a memorandum of understanding to settle the Action.

16. The Parties to the Action wish to settle and resolve the claims asserted in the Action; the Parties have reached an agreement set forth in this Stipulation, providing for the Settlement of the Action on the terms and conditions set forth below, subject to the approval of the Court; Plaintiffs and Plaintiffs' Counsel believe the Settlement is fair, reasonable, adequate and in the best interests of Plaintiffs and the Class and that it is reasonable to pursue a settlement of the Action based upon those terms and the procedures outlined herein.

SETTLEMENT CONSIDERATION

17. In consideration for the full settlement, satisfaction, compromise, and release of the Released Claims, and the dismissal of the Action with prejudice and on the merits, Defendants agree that, subject to and conditioned upon Final Approval, Defendants will make one payment in the amount of \$1.0 million to the Class (the "Settlement Consideration"). The Settlement Consideration shall be distributed on a *pro rata* basis, net of any costs, fees, income taxes, expenses, settlement administration expenses, and attorneys' fees to be paid from the Settlement Consideration to the Class as more fully described herein. The net

Settlement Consideration available for distribution to the Class after payment of any and all such costs, fees, income taxes, expenses, administrative expenses (including the cost of the Claims Administrator), and attorneys' fees is referred to as the "Net Settlement Fund." Any award of attorneys' fees, costs, expenses, or administrative expenses is to be paid out of that \$1.0 million Settlement Consideration, and Defendants and the Released Parties' exposure is limited to the \$1.0 million Settlement Consideration. Any costs, expenses, fees, attorneys' fees or administrative expenses awarded by the Court arising in connection with the Action shall be paid out of the Settlement Consideration and Defendants shall take no position with respect to the awarding of attorneys' fees, costs or expenses. Defendants will have no right to be reimbursed for any part of the Settlement Consideration and will have no involvement in reviewing or challenging distributions of the Settlement Consideration or the Net Settlement Fund.

18. The Net Settlement Fund will be allocated to members of the Class and each Authorized Claimant will receive a pro rata share of the Net Settlement Fund determined by the ratio that such Authorized Claimant's shares held on September 23, 2014 (the Cash Out Date), bears to the total shares of all such Authorized Claimants on that date.

19. Plaintiffs have agreed that all costs of providing this Notice to members of the Class will be paid by Plaintiffs from the \$1.0 million Settlement Consideration.

20. If you are a Class member, you will be bound by any judgment entered in the Action whether or not you actually receive this Notice. You may not opt out of the Class.

CLAIMS ADMINISTRATION AND RECOVERY FORMULA

21. Class members must submit a valid and timely Proof of Claim form (“Proof of Claim”) to share in the Net Settlement Fund. The Proof of Claim form is included with this Notice. Please follow the instructions in the Proof of Claim carefully and note the requirement for your documentation of proof of your ownership of shares of Xstelos as of the Cash Out Date. **FAILURE TO SUBMIT A TIMELY PROOF OF CLAIM FORM WITH SUPPORTING DOCUMENTATION, EVEN IF YOU OWNED SHARES ENTITLING YOU TO A PORTION OF THE NET SETTLEMENT FUND, WAIVES ANY RIGHT TO PARTICIPATE IN THE NET SETTLEMENT FUND.** The administration of the Net Settlement Fund and Proof of Claim forms will be handled by Simpluris, Inc. (“Claims Administrator”). For each person holding Xstelos common shares on the Cash Out Date from whom a timely, valid and approved Proof of Claim is received by the Claims Administrator (“Authorized

Claimant”), the Claims Administrator will determine the *pro rata* share of the Net Settlement Fund. The Net Settlement Fund will be allocated to members of the Class and each Authorized Claimant will receive a pro rata share of the Net Settlement Fund determined by the ratio that such Authorized Claimant’s shares held on September 23, 2014 (the Cash Out Date), bears to the total shares of all such Authorized Claimants on that date. The foregoing computation is not intended to estimate what any person might have been able to recover after trial. Rather, it is the amount determined to be allocable to the Authorized Claimants from the funds generated by the Settlement, reduced by all allocable and approved attorneys’ fees and other costs and expenses in connection with the Action and administration of the Settlement.

22. Only one Proof of Claim should be submitted by each Claimant. The Proof of Claim must be submitted by mail and received by the Claims Administrator on or before August 31, 2017, and addressed as follows:

In re Xstelos Holdings, Inc.
c/o Simpluris, Inc.
P.O. Box 26170
Santa Ana, CA 92626

RELEASES

23. Final Approval (as defined below) of the Settlement pursuant to Court of Chancery Rule 23 shall result in the Action being dismissed in its entirety on the merits with prejudice as to all Defendants and against all members of the Class,

and all Settled Claims (as defined below) will be completely, fully, finally, and forever compromised, settled, released, discharged, extinguished, and dismissed with prejudice and without costs, and the Action shall be dismissed with prejudice as against all Parties, upon and subject to the terms and conditions of the Settlement, as follows:

a. “Settled Claims” means any and all claims, demands, rights, actions, causes of action, liabilities, damages, losses, obligations, judgments, duties, suits, costs, expenses, matters, and issues known or unknown, contingent or absolute, suspected or unsuspected, disclosed or undisclosed, liquidated or unliquidated, matured or unmatured, accrued or unaccrued, apparent or unapparent, that have been, could have been, or in the future can or might be asserted in any court, tribunal, or proceeding (including but not limited to any claims arising under federal, state, foreign, or common law, including the federal securities laws and any state disclosure law), by or on behalf of the Class members, against the Released Persons (as defined below), which have arisen, could have arisen, arise now or hereafter may arise out of or relate to the acts, events, facts, matters, transactions, occurrences, statements, omissions or representations, or any other matter whatsoever set forth in or otherwise related, directly or indirectly, to the allegations in the Action or the Complaint.

b. “Released Persons” means the Defendants Jonathan Couchman, Adam Finerman, Steve Scheiwe and Xstelos Holdings, Inc. or any of their respective families, parent entities, controlling persons, associates, affiliates or subsidiaries, and each and all of their respective past or present officers, directors, stockholders, principals, representatives, employees, attorneys, financial or investment advisors, consultants, accountants, investment bankers, commercial bankers, entities providing fairness opinions, underwriters, brokers, dealers, insurers, advisors or agents, heirs, executors, trustees, general or limited partners or partnerships, limited liability companies, members, joint ventures, personal or legal representatives, estates, administrators, predecessors, successors, or assigns.

24. Upon Final Approval of the Settlement, each member of the Class covenants not to sue, and each member of the Class shall be barred from suing, any Defendant or any other Released Person for any Settled Claim.

25. Upon Final Approval of the Settlement, Defendants shall be deemed to have, and by operation of the entry of a final order and judgment shall have, fully, finally, and forever released, relinquished, settled, extinguished, dismissed with prejudice, and discharged Plaintiffs and Plaintiffs’ counsel from all claims (including unknown claims) arising out of, relating to, or in connection with, the institution, prosecution, assertion, settlement or resolution of the Action or the Settled Claims.

26. As of the date of Final Approval, Plaintiffs, on behalf of themselves and the Class, shall be deemed to have, and by operation of the Judgment, shall have released, to the broadest extent possible under law, all Settled Claims against the Released Persons.

27. The Released Persons and Plaintiffs acknowledge, and the members of the Class by operation of law shall be deemed to have acknowledged, that they may discover facts in addition to or different from those they now know or believe to be true with respect to the Settled Claims, but that it is the Released Persons' and Plaintiffs' intention and, by operation of law, the intention of the members of the Class, to completely, fully, finally and forever compromise, settle, release, discharge, extinguish, and dismiss any and all Settled Claims, known or unknown, suspected or unsuspected, contingent or absolute, disclosed or undisclosed, liquidated or unliquidated, matured or unmatured, accrued or unaccrued, apparent or unapparent, which now exist, or heretofore existed, or may hereafter exist, and without regard to the subsequent discovery of additional or different facts. Further, the Released Persons and Plaintiffs acknowledge, and the members of the Class by operation of law shall be deemed to have acknowledged, that "Unknown Claims" are expressly included in the definition of "Settled Claims," and that such inclusion was expressly bargained for, was a key element of the Settlement and was relied upon by each and all of the parties to the Action in entering into this Stipulation.

“Unknown Claims” means any claim that a releasing person does not know or suspect exists in his, her or its favor at the time of the release of the Settled Claims as against the Released Persons, Plaintiffs, Plaintiffs’ counsel or any member of the Class, including without limitation those which, if known, might have affected the decision to enter into the Settlement.

28. The Settlement is intended to extinguish all the Settled Claims and, consistent with such intention, upon Final Approval of the Settlement, the Class members shall waive and relinquish, to the fullest extent permitted by law, the provisions, rights and benefits of any state, federal, or foreign law or principle of common law, which may have the effect of limiting the release set forth above. This shall include a waiver by the Class members of any rights pursuant to section 1542 of the California Civil Code (or any similar, comparable, or equivalent provision of any federal, state, or foreign law, or principle of common law), which provides:

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

Plaintiffs acknowledge, and the members of the Class shall be deemed by operation of the entry of the Judgment approving the Settlement to have acknowledged, that the foregoing waiver was separately bargained for, is an

integral element of the Settlement, and was relied upon by each and all of the Defendants in entering into the Settlement.

CLASS ACTION DETERMINATION

29. The Court has ordered that, for purposes of the Settlement only, the Action shall be temporarily maintained as a class action by the named Plaintiffs as Class representatives, pursuant to Court of Chancery Rules 23(a) and 23(b)(1), with the Class defined as set forth above. Inquiries or comments about the Settlement may be directed to the attention of counsel for Plaintiffs per paragraph 42, below.

APPLICATION FOR ATTORNEYS' FEES AND EXPENSES

30. Plaintiffs' counsel intends to petition the Court for an award of attorneys' fees of \$300,000 and expenses in the amount of \$179,719 (including out of pocket costs, expenses, advances, and expert fees) incurred in connection with the Action to be paid from the \$1.0 million Settlement Consideration. Plaintiffs also intend to petition the Court for all expenses associated with administration of the Settlement Consideration and Net Settlement Fund, including but not limited to the costs of sending the Notice and the Claims Administrator, to be paid from the \$1.0 million Settlement Consideration. Defendants and the Released Parties' exposure is limited to \$1.0 million and any costs, expenses, and award of attorneys' fees is to be paid out of that amount. Defendants agree not to oppose any petition for an award of attorneys' fees and expenses.

31. The parties agreed that the Court can consider and rule upon the fairness, reasonableness, and adequacy of the Settlement independently of any award of attorneys' fees and expenses.

SETTLEMENT HEARING

32. The Court has scheduled a Settlement Hearing, which will be held on July 19, 2017, in the Leonard L. Williams Justice Center, 500 North King Street, Wilmington, Delaware 19801 to: (a) determine whether the conditional certification of the Class discussed herein for purposes of the Settlement should be made final; (b) determine whether the Settlement should be approved by the Court as fair, reasonable, adequate and in the best interests of the Class; (c) determine whether an Order and Final Judgment should be entered pursuant to the Stipulation; (d) consider the application of Plaintiffs' counsel for an award of attorneys' fees and expenses; (e) hear and determine any objections to the Settlement or the application for an award of attorneys' fees and expenses; and (f) rule on such other matters as the Court may deem appropriate.

33. The Court has reserved the right to adjourn the Settlement Hearing or any adjournment thereof, including the consideration of the application for attorneys' fees and expenses, without further notice of any kind other than oral announcement at the Settlement Hearing or any adjournment thereof.

34. The Court has also reserved the right to approve the Settlement at or after the Settlement Hearing with such modification(s) as may be consented to by the parties to the Stipulation and without further notice to the Class.

RIGHT TO APPEAR AND OBJECT

35. Any Class member who (a) objects to the: (i) Settlement, (ii) Class action determination, (iii) adequacy of representation by the Plaintiffs and their counsel, (iv) dismissal of the Action, (v) judgment to be entered in the Action, and/or (vi) application by Plaintiffs' counsel for an award of attorneys' fees and expenses in the Action; or (b) otherwise wishes to be heard, may appear in person or by his or her or its attorney at the Settlement Hearing and present evidence or argument that may be proper and relevant. If you want to do so, however, you must, not later than ten (10) calendar days prior to the Settlement Hearing, file with the Register in Chancery, Leonard L. Williams Justice Center, 500 North King Street, Wilmington, Delaware 19801: (i) a written notice of intention to appear, (ii) proof that you owned Xstelos Holdings, Inc. common stock as of the Cash Out Date, (iii) a statement of your objections to any matters before the Court, and (iv) the grounds thereof or the reasons for your desiring to appear and be heard, as well as documents or writings you desire the Court to consider. Also, on or before the date you file such papers, you must serve them by hand or overnight courier upon each of the following attorneys of record:

Michael A. Weidinger
Patricia R. Urban
Seton C. Mangine
PINCKNEY, WEIDINGER, URBAN & JOYCE LLC
3711 Kennett Pike, Suite 210
Greenville, DE 19807
Attorneys for Plaintiffs

Paul J. Lockwood
SKADDEN, ARPS, SLATE
MEAGHER & FLOM LLP
920 North King Street
P.O. Box 636
Wilmington, DE 19899-0636
Attorneys for Defendants

36. Any Class member who does not object to the Settlement, the Class action determination, or the application by Plaintiffs for an award of attorneys' fees and expenses need not do anything at this time.

37. Unless the Court otherwise directs, no person will be entitled to object to the approval of the Settlement, the Class action determination, the judgment to be entered, the attorneys' fees and expenses to be awarded, or otherwise to be heard, except by serving and filing written objections as described above.

38. Any person who fails to object in the manner described above shall be deemed to have waived the right to object (including the right to appeal) and will be forever barred from raising such objection in this Action or any other action or proceeding.

ORDER AND FINAL JUDGMENT OF THE COURT

39. If the Court determines that the Settlement, as provided for in the Stipulation, is fair, reasonable, adequate and in the best interests of the Class, the parties will ask the Court to enter an Order and Final Judgment, which will, among other things:

a. approve the Settlement and adjudge the terms thereof to be fair, reasonable, adequate, and in the best interests of the Class;

b. authorize and direct the performance of the Settlement in accordance with its terms and conditions and reserve jurisdiction to supervise the consummation of the Settlement provided herein;

c. permanently certify a non-opt out Class pursuant to Delaware Court of Chancery Rules 23(a) and Rule 23(b)(1) and designate Plaintiffs in the Action as the class representatives with Plaintiffs' Counsel as class counsel;

d. dismiss the Action with prejudice in its entirety on the merits and release Defendants, and each of them, and all the Released Persons from the Released Claims;

e. permanently bar and enjoin Plaintiffs and all members of the Class from instituting, commencing or prosecuting any of the Released Claims against any of the Released Parties; and

f. award attorneys' fees and expenses to Plaintiffs' Counsel.

FINAL COURT APPROVAL

40. The approval of this Settlement by the Court shall be considered final (“Final Approval”) upon the occurrence of all of the following events: (i) the Stipulation is approved in all respects by the Court or is modified by the agreement of the parties and approved by the Court, (ii) the Court enters the Order and Final Judgment, and (iii) the time to appeal or seek permission to appeal from the Order and Final Judgment has expired without a timely appeal being filed or, if a timely appeal is taken from the Order and Final Judgment, the appeal has been dismissed or the Order and Final Judgment has been affirmed in its entirety by the Delaware Supreme Court and such affirmance has become no longer subject to further appeal or review. The finality of the Order and Final Judgment shall not be affected in any way by any appeal or other proceeding solely regarding an application for attorneys’ fees and expenses.

NOTICE TO PERSONS OR ENTITIES HOLDING OWNERSHIP ON BEHALF OF OTHERS

41. Nominees, brokerage firms, banks and/or other persons or entities who held Xstelos Holdings, Inc. common stock on September 23, 2014, through and including the date of this Notice, for the benefit of others, are requested to immediately send this Notice to all of such beneficial owners. Additional copies of the Notice can be obtained by requesting them from Plaintiffs’ counsel.

SCOPE OF THIS NOTICE

42. This Notice is not all-inclusive. The references in this Notice to the pleadings in the Action, the Stipulation, and all other papers or proceedings herein are only summaries and do not purport to be comprehensive. For the full details of the Action, the claims that have been asserted in the Action and the terms and conditions of the Settlement, including a complete copy of the Stipulation and related orders and proposed forms of orders, you are referred to the Court files for the Action. You or your attorney may examine the public Court files during regular business hours of each business day at the office of the Register in Chancery, Leonard L. Williams Justice Center, 500 North King Street, Wilmington, Delaware 19801. Questions or comments may be directed to counsel for Plaintiffs:

Michael A. Weidinger
Patricia R. Urban
Seton C. Mangine
PINCKNEY, WEIDINGER, URBAN & JOYCE LLC
3711 Kennett Pike, Suite 210
Greenville, DE 19807
302-504-1497

PLEASE DO NOT CALL OR WRITE THE COURT.

Dated: _____, 2017