

DEADLINE FOR CLAIMS IS NOVEMBER 24, 2014

**PLEASE DIRECT ALL QUESTIONS AND INQUIRIES, INCLUDING REQUESTS FOR CLAIM FORMS, TO JOE KING AT DELAWARE CLAIMS AGENCY, LLC.
PHONE: (800) 838-6773; EMAIL: INFO@DELCLAIMS.COM.**

IN THE COURT OF CHANCERY OF THE STATE OF DELAWARE

FREDERICK H. DIRIENZO, individually and on behalf of all others similarly situated,)

Plaintiff,)

v.)

WARREN G. LICHTENSTEIN, SANFORD)
ANTIGNAS, JACK HOWARD, JOSEPH L. MULLEN,)
MARK E. SCHWARZ, JOHN H. McNAMARA, JR.,)
ANTHONY BERGAMO, JOHN P. McNIFF,)
RICHARD I. NEAL, ALLAN R. TESSLER, STEEL)
PARTNERS II, L.P., a Delaware limited partnership,)
STEEL PARTNERS II GP, LLC, a Delaware limited)
liability company, n/k/a STEEL PARTNERS)
HOLDINGS GP INC., a Delaware corporation, STEEL)
PARTNERS LLC, a Delaware limited liability)
company, WGL CAPITAL CORP., a Colorado)
corporation, SP GENERAL SERVICES LLC, a)
Delaware limited liability company,)

Defendants,)

STEEL PARTNERS HOLDINGS L.P., a Delaware)
limited partnership, f/k/a WEBFINANCIAL L.P., a)
Delaware limited partnership, f/k/a WEBFINANCIAL)
CORPORATION, a Delaware corporation,)

Nominal Defendant.)

C.A. No. 7094-VCP

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

TO: ALL RECORD HOLDERS AND BENEFICIAL OWNERS OF (A) COMMON STOCK OF WEBFINANCIAL CORPORATION (“WEBFINANCIAL”)

BETWEEN OCTOBER 30, 2008 AND DECEMBER 31, 2008 (INCLUSIVE OF THOSE DATES), INCLUDING THE LEGAL REPRESENTATIVES, HEIRS, PREDECESSORS AND SUCCESSORS-IN-INTEREST, TRANSFEREES OR ASSIGNS OF ALL SUCH FOREGOING HOLDERS, IMMEDIATE AND REMOTE, EXCLUDING THE DEFENDANTS AND THEIR AFFILIATES (THE "CLASS"), AS WELL AS (B) COMMON UNITS OF WEBFINANCIAL L.P., NOW KNOWN AS, STEEL PARTNERS HOLDINGS L.P. ("SPH") AT THE DATE OF THIS NOTICE OR AT ANY TIME DURING THE PERIOD BEGINNING ON OCTOBER 30, 2008 THROUGH AND INCLUDING JULY 25, 2014, INCLUDING ANY AND ALL OF THEIR RESPECTIVE SUCCESSORS IN INTEREST, PREDECESSORS, REPRESENTATIVES, HEIRS, ASSIGNS, TRANSFEREES, OR TRUSTEES, IMMEDIATE AND REMOTE, AND ANY PERSON OR ENTITY ACTING FOR OR ON BEHALF OF, OR CLAIMING UNDER, ANY OF THEM, AND EACH OF THEM.

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

IF YOU HELD WEBFINANCIAL COMMON STOCK OR SPH COMMON UNITS 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 Stipulation of Settlement dated July 25, 2014 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 October 10, 2014, at 10

a.m. before the Court at the New Castle County Courthouse, 500 North King Street, Wilmington, Delaware 19801 (the “Settlement Hearing”) to determine:

- a. Whether conditional certification of the Class should be made final;
- b. Whether the Settlement should be approved by the Court as fair, reasonable, adequate and in the best interests of the Class, Steel Partners Holdings L.P., and its unitholders;
- 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 Plaintiff’s application for an award of Plaintiff’s Counsel’s attorneys’ fees and expenses;
- e. If the Court approves the Settlement, whether the Court should approve Plaintiff’s application for an award to representative Plaintiff Frederick H. DiRienzo for his valuable time and contribution, including expenses, to this litigation;
- f. To hear and determine any objections to the Settlement, to final certification of the Class, or to Plaintiff’s application for an award of Plaintiff’s Counsel’s attorneys’ fees and expenses or a representative plaintiff award, and
- g. 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), 23(b)(1), and 23(b)(2), by Frederick H. DiRienzo (the “Plaintiff”) as Class representative, on behalf of a class consisting of all record holders and beneficial owners of any and all record and beneficial holders of WebFinancial common stock between October 30, 2008 and December 31, 2008 (inclusive of those dates), including any and all of their 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, and excluding (i) Warren G. Lichtenstein, Sanford Antignas, Jack Howard, Joseph L. Mullen, Mark

E. Schwarz, John H. McNamara, Jr., Anthony Bergamo, John P. McNiff, Richard I. Neal, Allan R. Tessler, Steel Partners II, L.P., Steel Partners II GP, LLC (n/k/a Steel Partners Holdings GP Inc.), Steel Partners LLC, WGL Capital Corp (“WGL”), SP General Services LLC, and Steel Partners Holdings L.P. (f/k/a WebFinancial L.P. f/k/a Webfinancial Corporation) (hereinafter defined together as the “Defendants”) and (ii) members of the immediate family of any individual Defendant, any entity in which a Defendant has or had a controlling interest, officers of Defendants and the legal representatives, agents, executors, heirs, successors, or assigns of any such excluded person (the “Class”).

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 in Paragraph 46) 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 \$1.3 million (the “Settlement Consideration”) to settle all claims that were or could have been asserted against them in this action. The Plaintiff has agreed to allocate the entire Settlement Consideration to the Class, as defined above, pursuant to the terms of the Stipulation, with the only payments (other than for attorneys’ fees and any Court-approved award to Plaintiff) being paid entirely to members of the class that were the record or beneficial owners of the shares of common stock of Webfinancial Corporation on the date of the Merger. If approved by the Court, a portion of the Settlement Consideration will be applied in payment of attorneys’ fees, costs and expenses, a payment to representative

plaintiff Frederick H. DiRienzo, and costs to administer the Settlement. Pursuant to the terms of the Stipulation, the net amount remaining after such expenses and charges (“Net Settlement Fund”) will be allocated one hundred percent (100%) to the Class (as defined above), and no separate payment will be made to SPH or any current or former unitholder of SPH . As of the date of the execution of the Settlement, all Derivative Claims asserted in the action have been previously resolved by the Court in favor of Defendants and against the Plaintiff. The Court and the Delaware Supreme Court denied the Plaintiff’s request to take an interlocutory appeal. The Court has ruled that only Plaintiff’s claims on behalf of the Class related to the Merger survive (the “Merger Claims” or the “Class Claims”). The allocation of the Net Settlement Fund to the Merger Claims in the Settlement is based on such rulings by the Court and Plaintiff counsel’s assessment of the relative worth of such claims in the Settlement, including the risks associated with any appeal.

THE RECITATION HEREIN DOES NOT CONSTITUTE FINDINGS OF THE COURT. IT IS BASED ON STATEMENTS OF THE PARTIES AND 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.

BACKGROUND

5. On December 31, 2008 (the “Merger Date”), WebFinancial Corporation (“WebFinancial”) was merged into a newly-formed Delaware limited partnership known as WebFinancial L.P. (now SPH) (the “Merger”), to facilitate the reorganization of Steel Partners II, L.P. (“SPII”), which was then an investment under the leadership of defendant Warren Lichtenstein.

6. By agreement dated as of January 1, 2009 (the “Exchange Agreement”), SPII agreed to transfer substantially all of its assets to WebFinancial L.P. in exchange for units of

Steel Partners Holdings L.P. (“SPH”) (the “Exchange Transaction”). The Exchange Transaction was subject to confirmation or unwind by SPII.

7. On June 29, 2009, SPH and SPII executed an Amended and Restated Exchange Agreement to provide certain of SPII’s investors with the choice of (i) continuing to remain invested by participating in the Exchange Transaction and ultimately receiving tradable LP interests in SPH, or (ii) redeeming their investments through a *pro rata* distribution of securities held by SPII (the “Partial Unwind”). The Amended and Restated Exchange Agreement was further amended on October 1, 2009 (with the June 29, 2009, amendment, the “Amended Exchange Agreement”), and ratified by the Board that same day. The Partial Unwind was consummated on July 15, 2009.

8. Plaintiff was a stockholder of WebFinancial at the time of the Merger and plaintiff’s shares of common stock were converted into common limited partnership units of WebFinancial L.P. in the Merger.

9. Plaintiff commenced this Action by filing a complaint in this Court on December 7, 2011. [D.I. 1]. Plaintiff initially brought the Action individually and on behalf of a putative class of former stockholders of WebFinancial asserting three claims (Counts I-III), all arising out of transactions that occurred between December 2008 and July 2009.

10. On February 7 and February 8, 2012, all Defendants answered the Complaint. [D.I. 7, 8].

11. The parties negotiated a stipulated Confidentiality Order, which this Court entered on March 22, 2012 [D.I. 12], and after a meet and confer, engaged in informal discovery.

12. Thereafter, Plaintiff requested the production of documents from Defendants and Defendants produced approximately 70,000 pages of documents in tranches on May 3, 2012,

May 24, 2012, May 31, 2012, June 5, 2012, June 6, 2012, June 8, 2012, June 20, 2012 and July 15, 2012, all of which Plaintiff's counsel reviewed and analyzed.

13. Plaintiff also issued a subpoena to the SPII defendants' outside auditor, Grant Thornton, on March 6, 2012 [D.I. 10] and moved to compel on May 18, 2012 [D.I. 13]. Plaintiff's counsel then reviewed and analyzed approximately 31,000 pages of work papers and draft financial statements relating to sixteen (16) different SPII entities from 2007 through 2009 that Grant Thornton produced in five tranches between June 25, 2012 and July 19, 2012.

14. After Grant Thornton produced its documents and work papers, Plaintiff moved for a commission directed to Houlihan Lokey Howard & Zukin Financial Advisors, Inc. ("Houlihan Lokey") [D.I. 15] (advisor to the Special Committee), which motion this Court granted on September 28, 2012 [D.I. 18]. Plaintiff caused the subpoena to be served upon Houlihan Lokey in the State of Texas on October 18, 2012 [D.I. 19].

15. On January 18, 2013, Plaintiff filed an amended complaint (the "Amended Complaint"), which added four new defendants and asserted five new counts for relief (Counts IV-VIII), all of which were brought derivatively on behalf of a limited partnership that is the survivor of the merger with WebFinancial. [D.I. 23]. Among other things, the Amended Complaint challenged certain transactions related to the Partial Unwind, including (a) a deferred fee liability required to be paid to Defendant WGL by Steel Partners II (Offshore) Ltd., a Cayman Islands entity ("Offshore") or Offshore's assignee pursuant to a Deferred Fee Agreement initially dated October 21, 2002 and later amended and restated as of April 11, 2012 (the "Deferred Fee Liability"); and (b) a payout of SPH Class B common units to WGL based on the Deferred Fee Liability (the "Deferred Fee Payout").

16. On January 18, 2013, defendants Warren G. Lichtenstein, Sanford Antignas, Jack Howard, John H. McNamara, Jr., Anthony Bergamo, John P. McNiff, Richard I. Neal, Allan R. Tessler, SPII, Steel Partners II GP, LLC, Steel Partners LLC, WGL Capital Corp, SP General Services LLC, and SPH moved to dismiss the entirety of the derivative claims – Counts IV-VIII of the Amended Complaint. [D.I. 24].

17. Also, on January 18, 2013, the WebFinancial directors who comprised the special committee formed to evaluate the Merger, Joseph L. Mullen and Mark E. Schwarz (the “Special Committee Members”), separately moved to dismiss all claims as to them. [D.I. 25]

18. On January 25, 2013, the Remaining Defendants moved to stay discovery pending resolution of the motions to dismiss. [D.I. 28]. The Special Committee Members joined that motion. [D.I. 29].

19. Briefing on the motions to dismiss and the motions to stay discovery was completed on April 25, 2013, and oral argument was held on May 22, 2013. [D.I. 62, 63, 69].

20. At the May 22, 2013 oral argument, the Court granted the motions to stay discovery pending resolution of the motions to dismiss, except for document production by Houlihan Lokey.

21. The Court issued an opinion (the “Dismissal Opinion”) on September 30, 2013, dismissing Counts I and III of the Amended Complaint as to the Special Committee Members and Counts IV through VIII of the Amended Complaint. [D.I. 71].

22. On October 10, 2013, Plaintiff filed an Application for Certification of Interlocutory Appeal of the Dismissal Opinion (the “Application”). [D.I. 72]. The Court denied the Application on October 30, 2013. [D.I. 78]. The Delaware Supreme Court refused

Plaintiff's petition for interlocutory appeal pursuant to Supreme Court Rule 42 on November 5, 2013. [D.I. 79].

23. Thereafter, representatives of the parties to the Action held extensive arm's-length negotiations in an effort to resolve the claims asserted in the Action and, on April 16, 2014 entered into an agreement in principle to settle the Action.

24. As of the date the Parties entered into this Stipulation, Counts I through III of the Amended Complaint remained to be litigated as to the Remaining Defendants, and it was contemplated that, if the Action continued, the Parties could potentially incur substantial expenses in fact and expert discovery. Furthermore, if the Action continued, there existed the prospect of further motion practice and a trial, the outcome of which was uncertain. Additionally, the Parties may have sought 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.

25. Defendants, who believe they have substantial defenses to the claims alleged against them in the Complaint, have denied, and continue to deny, any wrongdoing or liability with respect to all claims, events, and transactions complained of in this Action, and that they are liable in any way to plaintiff, the Class (as defined above), or anyone else, but have nevertheless concluded that further litigation in connection with the Action would be time consuming and expensive, and after weighing the costs and uncertainties of continued litigation, have determined that the Action should be fully and finally settled in the manner and upon the terms and conditions set forth in the Stipulation, and that these terms and conditions are fair, reasonable, and adequate to the Class, SPH, and its unitholders.

26. ALTHOUGH THE COURT HAS ENTERED AN INTERLOCUTORY ORDER DISMISSING CERTAIN CLAIMS ASSERTED IN THE ACTION, THERE HAS BEEN NO FINAL JUDICIAL DETERMINATION OF THE MERITS OF ANY OF THE CLAIMS OR DEFENSES ASSERTED IN THE ACTION, AND THIS NOTICE IS NOT INTENDED TO IMPLY, AND DOES NOT IMPLY THAT THERE HAS BEEN OR WOULD BE ANY FINDING OF VIOLATION OF ANY LAW OR THAT RELIEF IN ANY FORM OR RECOVERY IN ANY AMOUNT COULD BE HAD IF THE ACTION WERE NOT SETTLED.

SETTLEMENT CONSIDERATION

27. 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, and within ten days after Final Approval, Defendants will make one payment in the amount of \$1.3 million (the “\$1.3 Million Payment”) 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, representative plaintiff compensation, or 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 such costs, fees, income taxes, expenses, administrative expenses (including the cost of the Claims Administrator), representative plaintiff compensation or attorneys’ fees is referred to as the “Net Settlement Fund.” Any award of attorneys’ fees, costs, expenses, administrative expenses or representative plaintiff compensation is to be paid out of that \$1.3 Million Payment, and Defendants and the Released Parties’ exposure is limited to the \$1.3 Million Payment. Any costs, expenses, fees, attorneys’ fees or representative plaintiff compensation awarded by the Court arising in

connection with the litigation of the Released Claims shall be paid out of the Settlement Consideration and Defendants shall take no position with respect to the awarding of attorneys' fees, costs, expenses or representative plaintiff compensation. 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.

28. In the Complaint and the Amended Complaint, the Plaintiff brought claims challenging the Merger, the Partial Unwind and the Deferred Fee Liability. The Court has ruled that only the Merger Claims survive. Nevertheless, the payment of the Settlement Consideration is intended by the Parties to settle all claims that were or could have been asserted by the Plaintiff, including the claims of the Class subject to conditional certification by the Court as contemplated herein (limited to the Merger Claims), the Derivative Claims, and those claims to which conditional certification is not sought. In light of the Court's rulings, the Plaintiff has agreed to allocate the Settlement Consideration to the Class, including the provision for payment out of the Settlement Consideration of any attorneys' fees, costs, income taxes, and expenses and subject to the Plaintiff's request that the Court authorize a payment to Plaintiff Frederick H. DiRienzo in the amount of \$50,000 for his services in connection with this litigation. 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 the Merger Date that bears to the total shares of all such Authorized Claimants on the Merger Date.

29. Plaintiff has agreed that all costs of providing this Notice to members of the Class and to holders of SPH common units will be paid by Plaintiff from the \$1.3 Million Payment.

30. If you are a Class member or holder of SPH common units, 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

31. 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 transactions in WebFinancial common shares and proof of your ownership of such shares as of the Merger Date. **FAILURE TO FILE A TIMELY PROOF OF CLAIM FORM WITH SUPPORTING DOCUMENTATION, EVEN IF YOU OWNED SHARES ON THE MERGER DATE 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 Delaware Claims Agency, LLC (“Claims Administrator”). For each person holding WebFinancial common shares on the Merger Date from whom a timely and valid 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 (as defined above). 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 the Merger Date bears to the total shares of all such Authorized Claimants on the Merger Date. No consideration will be paid in connection with the Derivative Claims or to any holder on account of the ownership of shares of WebFinancial or units of SPH after the Merger 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.

32. 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 November 24, 2014 and addressed as follows:

In re WebFinancial Securities Litigation
c/o Delaware Claims Agency, LLC
230 North Market Street
P. O. Box 515
Wilmington, DE 19801

RELEASE

33. Final Approval (as defined below) of the Settlement pursuant to Court of Chancery Rules 23 and 23.1 shall result in a complete and final discharge, dismissal with prejudice on the merits, settlement and release of, and an injunction barring, any and all Claims which, now or hereafter, are based upon, arise out of, relate in any way 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, or any series thereof, that were or could have been, or in the future could or might be alleged, asserted, set forth, claimed, embraced, involved, or referred to in, or related to the Amended Complaint or the Action for matters occurring during the Class Period as to the Class, and for matters occurring during the Derivative Period as to the SPH and the SPH unitholders, by Plaintiff, any member of the Class, SPH or any SPH unitholder in the Action or in any court, tribunal, forum or proceeding (including, but not limited to, any claims arising under federal, state or foreign law, common law, statute, rule, or regulation relating to

alleged fraud, breach of any duty, negligence, violation of the federal securities law, aiding and abetting any of the foregoing, or otherwise, and including all claims within the exclusive jurisdiction of the federal courts), whether individual, class, direct, derivative, representative, legal, equitable or any other type or in any other capacity, by or on behalf of Plaintiff, SPH or its unitholders, or any member of the Class, (“Released Claims”), against Defendants and all of their families, parent entities, controlling persons, associates, affiliates, successors or subsidiaries and each and all of their respective present or past heirs, executors, estates, administrators, predecessors, successors, stockholders, assigns, parents, subsidiaries, associates, affiliates, employers, employees, agents, consultants, directors, managing directors, officers, partners, partnerships, principals, limited liability companies, members, attorneys, bankers, consultants, trustees, accountants, financial or other advisors, investment bankers, underwriters, lenders, auditors, and any other representatives of any of these persons or entities (the “Released Persons”) (or any of them); provided, however, that the Released Claims shall not include the right to enforce the Settlement.

34. If the Settlement becomes final, the release of Released Claims will extend to claims that Plaintiff, each member of the Class, SPH, and its unitholders, may not know or suspect to exist at the time of the release, which, if known, might have affected their decision to enter into this release or whether or how to object to the Court’s approval of the Settlement or to attempt to exclude themselves from the Class. The Plaintiff, each member of the Class, SPH, and its unitholders shall be deemed to waive any and all provisions, rights and benefits conferred by any law of the United States or any state or territory of the United States, or principle of common law or foreign law, which may have the effect of limiting the release set forth above. In particular, the Plaintiff, each member of the Class, SPH, and its unitholders shall be deemed to

have relinquished to the full extent permitted by law the provisions, rights, and benefits of section 1542 of the California Civil Code, 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.

35. In addition, the Plaintiff, each member of the Class, SPH, and its unitholders shall be deemed to waive any and all provisions, rights and benefits conferred by any law of any state or territory of the United States or elsewhere which is similar, comparable, or equivalent to California Civil Code section 1542. The parties shall not concede that any law, other than the law of the State of Delaware, is applicable to the Stipulation or the release of the Released Claims. The Plaintiff, each member of the Class, SPH, and its unitholders hereby acknowledge that they may discover facts in addition to or different from those that they now know or believe to be true with respect to the subject matter of this release, but that it is their intention to fully, finally, and forever settle and release any and all claims released hereby, known or unknown, suspected or unsuspected, which now exist, or heretofore existed, or may hereafter exist, and without regard to the subsequent discovery or existence of such additional or different facts.

CLASS ACTION DETERMINATION

36. The Court has ordered that, for purposes of the Settlement only, the Action shall be temporarily maintained as a class action by the named Plaintiff as Class representative, pursuant to Court of Chancery Rules 23(a), 23(b)(1), and 23(b)(2), with the Class defined as set forth above. Inquiries or comments about the Settlement may be directed to the attention of counsel for Plaintiff as follows:

Michael A. Weidinger
Joanne P. Pinckney
Elizabeth Wilburn Joyce
PINCKNEY, WEIDINGER, URBAN & JOYCE LLC
1220 North Market Street
Suite 950
Wilmington, Delaware 19801

APPLICATION FOR ATTORNEYS' FEES AND EXPENSES

37. Plaintiff intends to petition the Court for an award of attorneys' fees of \$390,000 and expenses in the amount of \$74,288.20 (including costs, disbursements, and expert and consultant fees) in connection with this Action to be paid from the \$1.3 Million Payment. Plaintiff also intends 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 \$1.3 Million Payment. Defendants and the Released Parties' exposure is limited to \$1.3 million and any costs, expenses, representative plaintiff award, or 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 or representative plaintiff award, by Plaintiff.

38. The parties agreed that resolution of Plaintiff's petition for an award of attorneys' fees and expenses is not a precondition to this Settlement or to the dismissal with prejudice of the Action, and 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

39. The Court has scheduled a Settlement Hearing, which will be held on October 10, 2014 at 10 a.m. in the New Castle County Courthouse, 500 North King Street, Wilmington, Delaware 19801 to: (a) determine whether the conditional certification of the Class discussed herein 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, SPH, and its unitholders; (c) determine whether an Order and Final Judgment should be entered pursuant to the Stipulation; (d) consider the application of Plaintiff for an award of attorneys' fees and expenses; (e) hear and determine any objections to the Settlement or the application of Plaintiff for an award of attorneys' fees and expenses; and (f) rule on such other matters as the Court may deem appropriate.

40. 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.

41. 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

42. Any Class member or SPH unitholder who (a) objects to the: (i) Settlement, (ii) Class action determination, (iii) adequacy of representation by the Plaintiff and his counsel, (iv) dismissal of the Action, (v) judgment to be entered in the Action, and/or (vi) application by Plaintiff 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. 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, New Castle County Courthouse, 500 North King Street, Wilmington, Delaware 19801: (i) a written notice of intention to appear, (ii) proof that you owned (a) Webfinancial common stock as of the Merger Date, or (b) that you owned SPH common units as of the Partial Unwind Date or the Deferred Fee Payout Date and continue to

hold such SPH common units, (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
Joanne P. Pinckney
Elizabeth Wilburn Joyce
PINCKNEY, WEIDINGER, URBAN & JOYCE LLC
1220 North Market Street
Suite 950
Wilmington, Delaware 19801

Bruce L. Silverstein
Kathaleen St. J. McCormick
YOUNG CONAWAY STARGATT & TAYLOR, LLP
Rodney Square
1000 North King Street
Wilmington, Delaware 19801

John M. Seaman
ABRAMS & BAYLISS LLP
20 Montchanin Road
Suite 200
Wilmington, Delaware 19807

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

44. Unless the Court otherwise directs, no person will be entitled to object to the approval of the Settlement, the Class action determination, or the judgment to be entered in the Action, or otherwise to be heard, except by serving and filing written objections as described above.

45. 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.

INTERIM INJUNCTION

46. Pending final determination of whether the Settlement should be approved, the Plaintiff and all members of the Class, SPH and its unitholders, and any of them are barred and enjoined from commencing, prosecuting, continuing, instigating, or in any way participating in the commencement or prosecution of any action asserting any Released Claims, either directly, representatively, derivatively or in any other capacity, against any Released Person, which have been or could have been asserted, or which arise out of or relate in any way to any of the transactions or events described in any complaint or amended complaint in the Action.

ORDER AND FINAL JUDGMENT OF THE COURT

47. 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, SPH, and its unitholders, 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, pursuant to Chancery Court Rule 23(e);

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; and

c. 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.

FINAL COURT APPROVAL

48. 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

49. Brokerage firms, banks and/or other persons or entities who held WebFinancial common stock during the period between October 30, 2008 through and including December 31, 2008, or WebFinancial L.P. common units, or SPH common units at the date of this Notice or at any time during the period beginning on and including October 30, 2008 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.

SCOPE OF THIS NOTICE

50. 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, New Castle County Courthouse, 500 North King Street, Wilmington, Delaware 19801. Questions or comments may be directed to counsel for Plaintiff:

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Joanne P. Pinckney
Elizabeth Wilburn Joyce
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PLEASE DO NOT CALL OR WRITE THE COURT.