

KEITH KUBE, individually and on behalf of all others
similarly situated,

Plaintiff,

v.

DANIEL MASSARELLI, *et al.*,

Defendants.

SUPERIOR COURT OF NEW JERSEY
LAW DIVISION: HUDSON COUNTY

DOCKET NO. L-3608-12

Civil Action

**NOTICE OF PENDENCY AND
SETTLEMENT OF ACTION**

IN RE PAMRAPO BANCORP
SHAREHOLDER LITIGATION

TO: ALL HOLDERS OF PAMRAPO BANCORP, INC. (“PAMRAPO”) COMMON WHO TOOK ANY OF THE FOLLOWING ACTIONS WITH RESPECT TO THE FEBRUARY 11, 2010 PAMRAPO SHAREHOLDER MEETING REGARDING THE MERGER OF PAMRAPO AND BCB BANCORP, INC. (“BCB”):

- (1) CAST A “NO” VOTE AGAINST THE MERGER;
- (2) ABSTAINED FROM VOTING; OR
- (3) DID NOT VOTE EVEN THOUGH YOU WERE A SHAREHOLDER AS OF DECEMBER 28, 2009.

PLEASE READ THIS NOTICE CAREFULLY AND IN ITS ENTIRETY. YOUR RIGHTS MAY BE AFFECTED. THIS NOTICE RELATES TO A PROPOSED SETTLEMENT AND ENTITLEMENT AND DISMISSAL OF SHAREHOLDER CLASS ACTION CLAIMS AND CONTAINS IMPORTANT INFORMATION REGARDING YOUR RIGHTS. YOUR RIGHTS MAY BE AFFECTED BY LEGAL PROCEEDINGS IN THIS ACTION.

IF THE COURT APPROVES THE SETTLEMENT AND DISMISSAL OF THE ACTION, YOU WILL BE FOREVER BARRED FROM CONTESTING THE APPROVAL OF THE PROPOSED SETTLEMENT AND FROM PURSUING THE SETTLED CLAIMS.

THE COURT HAS MADE NO FINDINGS OR DETERMINATIONS REGARDING THE MERITS OF THIS ACTION. THE RECITATION OF THE BACKGROUND AND CIRCUMSTANCES OF THE SETTLEMENT CONTAINED HEREIN DO NOT CONSTITUTE THE FINDINGS OF THE COURT. IT IS BASED ON REPRESENTATIONS MADE TO THE COURT BY COUNSEL FOR THE PARTIES.

This Notice is given pursuant to the Preliminary Approval Order of the Superior Court of New Jersey, Hudson County. The purpose of this Notice is to advise you that the parties in the class action lawsuit, captioned *In re Pamrapo Bancorp Shareholder Litigation*, No. L-3608-12 (the “Action”), have agreed to settle the Action on the terms and conditions set forth in the Stipulation of Settlement dated December 24, 2014 (the “Settlement”). A copy of the Settlement may be inspected at the Clerk’s Office for the Superior Court of New Jersey, Hudson County, located at the William Brennan Courthouse, 583 Newark Avenue, Jersey City, NJ 07306. A copy of the Settlement is also electronically available for viewing and/or downloading at the website of Levi & Korsinsky LLP at www.zlk.com and at the website maintained by the Settlement Administrator at www.rg2claims.com/pamrapo.html. All capitalized terms used herein, unless otherwise defined, shall have the same meanings as set forth in the Settlement.

I. SUMMARY OF THE ACTION AND SETTLEMENT NEGOTIATIONS

The Action arises out of an agreement and plan of merger by and between BCB Bancorp, Inc. (“BCB”) and Pamrapo Bancorp, Inc. (“Pamrapo”), dated June 29, 2009, as amended November 5, 2009, and as further amended June 30, 2010 (the “Agreement”).

On June 29, 2009 (the “Acquisition Date”), Pamrapo and BCB entered into the Agreement, which provided that Pamrapo will merge with and into BCB, with BCB as the surviving corporation, and that shareholders of Pamrapo will receive 1.0 shares of BCB common stock for each share of Pamrapo common stock (the “Merger”).

The Action was initiated approximately two weeks thereafter, on or about July 9, 2009, Plaintiff Keith Kube filed a putative class action complaint against Pamrapo, BCB, and the six Pamrapo directors, in the Superior Court of New Jersey, Hudson County, Chancery Division, C-89-09 (the “Class Action Complaint”). The Class Action Complaint alleged, among other things, that the consideration of the Merger was “unfair,” and that the Pamrapo directors breached their fiduciary duties by failing to maximize shareholder value.

On February 11, 2010, a majority of disinterested Pamrapo shareholders voted in favor of the Merger. The Merger was thereafter completed on July 6, 2010. Each share of Pamrapo common stock was converted into one share of BCB stock, which was valued at \$7.87/share as of July 2, 2010.

Plaintiff filed a second amended class action complaint on or about September 13, 2011 (the “Second Amended Class Action Complaint”) against BCB Kenneth D. Walter, Kenneth Poesl, Robert Doria, Daniel Massarelli, Patrick Conaghan, Herman Brockman, and the Estate of John Morecraft (collectively, “Defendants”) (collectively, with Plaintiff, the “Parties”). The Second Amended Class Action Complaint alleged three double derivative claims on behalf of BCB, and two direct class action claims against BCB and the individual Defendants for breach of fiduciary duty and aiding and abetting the breach(es) of fiduciary duty. The double derivative claims were subsequently dismissed by the Superior Court, and the direct class action claims for breach of fiduciary duty and aiding and abetting breach of fiduciary duty survived.

Defendants vigorously deny any and all wrongdoing or liability with respect to all claims, events, and transactions complained of in the Action. Defendants believe that they have valid defenses to the causes of action that were or could have been brought in this Action, and fully and completely discharged all duties including, but not limited to, any fiduciary duties in connection with the Merger. Defendants have entered into this Settlement solely to (i) avoid the substantial expense, burden, and risk of continued litigation and (ii) obtain a full and final release, discharge and dismissal, with prejudice, of the claims asserted in the Action and bring the Action to a full and final resolution.

On March 7, 2014, the Superior Court conducted a settlement conference. On and since that date, the Parties have been in settlement negotiations which resulted in the Settlement.

Plaintiff and Plaintiff’s Counsel believe that their claims asserted in the Action are meritorious, but given the substantial benefit to be provided to the Class by the Settlement and the inherent risks, uncertainties and delay of continued litigation, have determined that the Settlement is fair, reasonable, adequate, and in the best interests of the Class.

II. THE CLASS

The Class is defined as follows: “All persons who owned common stock of Pamrapo together with their successors in interest during the period from and including June 29, 2009 through and including July 6, 2010, who effectively voted against the Merger of Pamrapo and BCB and suffered harm arising from the Merger, excluding Defendants and their affiliates and William J. Campbell. Effective votes against the Merger encompass casting a ‘no’ vote or abstaining in the February 11, 2010 Pamrapo shareholder vote on the Merger, or being entitled to vote at such meeting but not casting a vote – all of which had the same effect as a vote against the Merger.” The Court has clarified that the Class consists of all, and only, those shares that were effectively voted “no” at the Pamrapo Shareholder Vote.

Pamrapo shareholders who voted in favor of the Merger are **excluded** from the Class.

III. THE SETTLEMENT TERMS

The terms and conditions are set forth fully in the Settlement. This Notice provides a summary of some, but not all, of the terms of the Settlement.

Pursuant to Paragraph 2 of the Settlement, in consideration for the full settlement and release of all Released Claims, and dismissal of the Action with prejudice, BCB shall pay \$1,950,000 to the Class as well as the Class’s legal fees and expenses incurred by Plaintiff’s Counsel to the extent approved by the Court up to \$1,000,000, and half the costs associated with administration of the Settlement. Class members will receive a pro rata distribution of the net settlement consideration, based upon the number of shares they effectively voted against the Merger as a proportion of the total 1,620,933 shares that were effective “no” votes.

IV. RELEASES

Upon Final Court Approval, Plaintiff, and each and every member of the Class, shall and hereby do completely, fully, finally, and forever release, relinquish, settle, and discharge each and all of the Released Parties from and with respect to any and all of the Released Claims, and will be forever barred and enjoined from commencing, instituting, or prosecuting any action or other proceeding, in any forum, asserting any of the Released Claims against any of the Released Parties.

Upon Final Court Approval, Defendants shall and hereby do completely, fully, finally, and forever release, relinquish, settle, extinguish, dismiss with prejudice, and discharge, individually, and collectively, Plaintiff and Plaintiff’s Counsel, from and with respect to any and all claims arising out of relating to the initiation, prosecution, settlement and/or resolution of the Action; provided, however, that nothing herein shall prevent any of the Released Parties, Plaintiff, or Plaintiff’s Counsel from enforcing the terms of the Settlement.

V. PLAINTIFF’S COUNSEL’S INVESTIGATION AND RESEARCH, PLAINTIFF’S CLAIMS, AND THE BENEFITS OF SETTLEMENT

Plaintiff’s Counsel conducted an extensive investigation relating to the claims and the underlying events in the Action. This included: (1) inspecting, analyzing, and reviewing the public filings of Pamrapo and BCB with the U.S. Securities and Exchange Commission (“SEC”), press releases, and announcements; (2) researching applicable law with respect to the claims asserted in the Action and the potential defenses thereto; (3) conducting damages analyses; (4) drafting and filing the various complaints in the Action; (5) engaging in comprehensive discovery in the Action, including deposing the Defendants and third parties, and obtaining and reviewing thousands of pages of confidential documents; and (6) participating in extensive settlement discussions with Defendants’ counsel. As a result of these efforts, Plaintiff and Plaintiff’s Counsel believe that the Action has substantial merit.

Nonetheless, Plaintiff and Plaintiff’s Counsel also recognize and acknowledge the significant risk, expense, and length of continued proceedings necessary to prosecute the Action through trial and through possible appeals. Plaintiff’s Counsel has also taken

into account the uncertain outcome and risk, as well as the difficulties and delays inherent in such litigation. Plaintiff's Counsel is also mindful of the inherent problems of proof and Defendants' defenses to the claims alleged in the Action. Plaintiff's Counsel has conducted a thorough review and analysis of the relevant facts, allegations, defenses, and controlling legal principles, and believe that the Settlement is fair, reasonable, and adequate, and confers substantial benefits upon the Class. Based upon Plaintiff's Counsel's evaluation, Plaintiff has determined that the Settlement is in the best interest of the Class and has agreed to settle the Action upon the terms and subject to the conditions set forth in the Settlement.

VI. DEFENDANTS' DENIAL OF WRONGDOING AND LIABILITY

Defendants have denied and continue to deny that they committed any violations of law or breached any duties. Nonetheless, Defendants have concluded that further litigation of the Action would be protracted and expensive, and that it is desirable for the Action to be fully and finally settled in the manner and upon the terms and conditions set forth in the Settlement. Defendants have also taken into account the uncertainty and risks inherent in the litigation. Defendants have, therefore, determined that it is desirable and beneficial that the Action be settled in the manner and upon the terms and conditions set forth in the Settlement. Further, Defendants acknowledge that the Settlement is fair, reasonable, adequate, and in the best interests of the Class.

Neither the Settlement nor any of its terms or provisions, nor entry of the Order and Final Judgment, nor any exhibit attached to the Settlement, nor any action taken to carry out the Settlement, is, may be construed as, or may be used as evidence of the validity of any of the Released Claims or an admission by or against Defendants of any fault, wrongdoing, or concession of liability whatsoever.

VII. THE SETTLEMENT HEARING

On May 20, 2015 at 2:30 p.m., the Court will hold the Settlement Hearing before the Honorable Mary K. Costello, P.J.Cv., of the Superior Court of New Jersey, Law Division, Hudson County, located at William Brennan Courthouse, 583 Newark Avenue, Jersey City, New Jersey 07306. At the Settlement Hearing, the Court will consider: (1) whether the proposed Settlement should be approved by the Court as fair, reasonable, and adequate; and (2) whether, thereafter, the Action should be dismissed with prejudice as set forth in the Settlement. The Court has the right to change the date or time of the Settlement Hearing. Thus, if you are planning to attend the Settlement Hearing, you should confirm the date and time before going to Court.

VIII. YOUR RIGHTS IN RESPONSE TO THIS NOTICE

If you fall within the parameters outlined in Section II, you are a member of the Class and have the following options in response to the Notice:

1. You may take no action and remain a member of the Class. Unless you take affirmative action as described in Option Number 4 below, you will remain a member of the Class, and you will receive a monetary payment consistent with the Settlement and the Order and Final Judgment. However, by doing so, you give up the right to sue the Defendants for the claims in this Action and are bound by the Order and Final Judgment. If you elect to remain a member of the Class and do not have any objections to the Settlement (see Option Number 2 below), you do not need to appear at the Settlement Hearing or take any other action.

2. If you elect to remain a member of the Class, but desire to object to the Settlement, you must make your objection(s) in writing. Your objections must contain the following information:

- a. Your name;
- b. Proof of membership in the Class;
- c. A statement of your position with respect to the matters to be heard at the Settlement Hearing, including a statement of each objection being made;
- d. The grounds for each objection; and
- e. Whether or not you request permission to speak at the Settlement Hearing (attendance and/or an oral statement is not required at the Settlement Hearing if you have timely lodged your objection with the Court).

Your written objection(s) must be on file with the Clerk of the Court no later than **fourteen calendar days** prior to the Settlement Hearing. The Court Clerk's address is:

Clerk, Superior Court of New Jersey
William Brennan Courthouse
583 Newark Avenue
Jersey City, New Jersey 07306

You must also deliver copies of your objection(s) to counsel for Plaintiff and Defendants so they are received no later than **fourteen calendar days** prior to the Settlement Hearing. Counsel's addresses are as follows:

Plaintiff's Counsel:
Michael H. Rosner
Levi & Korsinsky LLP
30 Broad Street, 24th Floor
New York, New York 10004

Defendants' Counsel:
Joseph D. Guarino
DLA Piper LLP (US)
51 John F. Kennedy Parkway, Suite 120
Short Hills, New Jersey 07078-2704

Any Class member who fails to object or fails to comply with all of the steps prescribed above will be deemed to have waived the right to object to any aspect of the Settlement or otherwise request to be heard (including the right to appeal) and will be forever barred from raising such objection to the Settlement or request to be heard regarding the Settlement in this or any other action or proceeding, and shall be bound by the Settlement, the Order and Final Judgment, and the releases given.

3. If you elect to remain a member of the Class, you may participate in this Action at your own expense by obtaining your own attorney. Members of the Class who choose this option will be responsible for their own attorneys' fees and/or costs incurred as a result of this election.

4. You may elect to "Opt Out" of the Class and thus exclude yourself from the Order and Final Judgment. If you Opt Out of the Class, you shall not be entitled to any benefits as a result of the Settlement, and you will not be legally bound by the Order and Final Judgment. As a result, you may be able to sue the Defendants in the future about the legal issues in this Action.

- a. To exclude yourself from the Class, you must **send a letter by mail** saying that you want to be excluded. Be sure to include your (i) name; (ii) address; (iii) number of Pamrapo shares you held on December 28, 2009; (iv) confirmation that you effectively voted against the Merger; and (v) your signature.
- b. You must mail your exclusion request postmarked no later than April 9, 2015 to: Pamrapo Settlement Administrator, c/o RG/2 Claims Administration LLC, P.O. Box 59479, Philadelphia, PA 19102-9479

IX. YOUR OBLIGATIONS IF YOU HELD SHARES ON SOMEONE ELSE'S BEHALF

If you held Pamrapo shares for the beneficial interest of persons or organizations other than yourself on December 28, 2009 and did not vote all of those shares in favor of the Merger, you must, **WITHIN FIFTEEN (15) CALENDAR DAYS AFTER RECEIPT OF THIS NOTICE**, either (1) forward copies of this Notice to all such beneficial owners; or (2) provide the names and addresses of such persons or entities to In Re: Pamrapo Bancorp Shareholder Litigation, c/o RG/2 Claims Administration LLC, P.O. Box 59479, Philadelphia, PA 19102-9479, and/or info@rg2claims.com. If you choose the second option, the Settlement Administrator will send a copy of the Notice to the beneficial owners.

Nominees are also required to provide an affidavit certifying that they will distribute the settlement proceeds on a pro-rata basis to those beneficial holder members of the Class based upon the number of eligible shares held by each Class Member. If this is not possible, the nominee is required to provide to the Settlement Administrator the number of eligible Pamrapo shares for each beneficial holder member of the Class as defined above.

Upon full compliance with these directions, such nominees may seek reimbursement of their reasonable expenses actually incurred, by providing the Settlement Administrator with, no later than March 20, 2015, proper documentation supporting the out-of-pocket expenses for which reimbursement is sought. Payment of such expenses is subject to Court approval. Copies of the Notice can be obtained from the website maintained by the Settlement Administrator, www.rg2claims.com/Pamrapo.html, or by calling the Settlement Administrator toll-free at (866) 742-4955.

X. CONDITIONS FOR SETTLEMENT

The Settlement is conditioned upon the occurrence of certain events including, among other things entry of an Order and Final Judgment. If, for any reason, any one of the conditions described in the Settlement is not met and the entry of an Order and Final Judgment does not occur, the Settlement may be terminated, and the Parties to the Settlement will be restored to their respective positions as of the date immediately prior to the execution of the Settlement.

XI. HOW TO OBTAIN ADDITIONAL INFORMATION

This Notice summarizes the Settlement. It is not a complete statement of the events of the Action. There is additional information concerning the Settlement available for inspection at the Clerk's Office for the Superior Court of New Jersey, Hudson County, located at the William Brennan Courthouse, 583 Newark Avenue, Jersey City, NJ 07306, and on the website of Plaintiff's Counsel, Levi & Korsinsky LLP, at www.zlk.com and at the website maintained by the Settlement Administrator at www.rg2claims.com/pamrapo.html.

PLEASE DO NOT CALL, WRITE, OR OTHERWISE DIRECT QUESTIONS TO THE COURT OR CLERK'S OFFICE. For more information concerning the Settlement, you may call or write to: Michael H. Rosner, Levi & Korsinsky LLP, 30 Broad Street, 24th Floor, New York, New York 10004, Telephone (212-363-7500), Email (mrosner@zlk.com).