

NOTICE

On June 7, 2019, Barnes & Noble, Inc. (“Barnes & Noble”) announced that it had entered into a definitive agreement and plan of merger (the “Merger Agreement”) with affiliates of Elliott Advisors (UK) Limited (“Elliott”) pursuant to which, in exchange for \$6.50 per share in cash in a tender offer (the “Tender Offer”), they would acquire Barnes & Noble (the “Transaction”).

On July 9, 2019, affiliates of Elliott commenced the Tender Offer and Barnes & Noble filed a recommendation statement on Schedule 14D-9 (the “Recommendation Statement”) with the United States Securities and Exchange Commission (the “SEC”).

On July 16, 2019, Plaintiff Richard Scarantino (“Scarantino”) filed a Class Action Complaint (the “*Scarantino* Action”), and on July 18, 2019, Plaintiff David Shaev (“Shaev”) filed a Class Action Complaint (the “*Shaev* Action”), both in the United States District Court for the District of Delaware (the “District of Delaware”). Both Scarantino and Shaev alleged violations of Sections 14(e), 14(d) and 20(a) of the Securities Exchange Act of 1934 related to the Transaction.

On July 18, 2019, Plaintiff Mitul Karia (“Karia”) filed a Verified Class Action Complaint (the “*Karia* Action,” and with the *Scarantino* Action and the *Shaev* Action, the “Actions”) in the Delaware Court of Chancery (the “Court of Chancery”). Karia alleged that the Board of Directors of Barnes & Noble (the

“Board”) breached its fiduciary duties to Barnes & Noble’s stockholders by causing the filing of the Recommendation Statement with material misstatements and omissions, and that affiliates of Elliott aided and abetted the Board’s purported breaches. Karia also sought to enjoin the Tender Offer.

On July 22, 2019, Plaintiff Frank Ferreiro (“Ferreiro”) filed a Class Action Complaint (the “*Ferreiro* Action”) in the United States District Court for the Southern District of New York (“Southern District of New York”), alleging violations of Sections 14(e), 20(a) and that the Board breached its fiduciary duties to Barnes & Noble’s stockholders by causing the filing of the Recommendation Statement with material misstatements and omissions.

On July 26, 2019, in response to the lawsuits, Barnes & Noble filed a Schedule 14D-9/A containing supplemental disclosures that addressed the issues raised in the Actions (the “Supplemental Disclosures”) (accessible on the SEC’s website at <https://www.sec.gov/Archives/edgar/data/890491/000119312519203182/d770574dsc14d9a.htm>). This form supplemented the original Recommendation Statement to include certain additional information which mooted the claims asserted by Karia, Scarantino Shaev, and Ferreiro (collectively, “Plaintiffs”).

On July 29, 2019, Scarantino and Shaev filed Notices of Voluntary Dismissal in the District of Delaware, voluntarily dismissing the *Scarantino* and *Shaev* Actions

with prejudice as to Scarantino and Shaev only, and without prejudice to the putative class.

On July 31, 2019, Ferreiro filed a Notice of Voluntary Dismissal in the Southern District of New York, voluntarily dismissing the *Ferreiro* Action with prejudice as to Ferreiro only, and without prejudice to the putative class.

On August 6, 2019, the Tender Offer expired, and the Transaction was thereafter consummated.

On August 29, 2019, the Court of Chancery entered an order dismissing the *Karia* Action and the claims asserted therein, with prejudice as to Karia only, and without prejudice as to all other members of the putative class, and retaining jurisdiction of the *Karia* Action for the purpose of determining an application for an award of attorneys' fees and reimbursement of expenses in connection with the Supplemental Disclosures.

Only after the Actions were dismissed did the parties commence and engage in discussions regarding payment of attorneys' fees and expenses to Plaintiffs' counsel and the amount thereof. After negotiations, the defendants in the Actions agreed to make an all-inclusive fee and expense payment to Plaintiffs' counsel in the amount of \$210,000.00 to resolve any application for an award of attorneys' fees and expenses to be made by Plaintiffs' counsel in the Actions. This amount will be paid by Barnes & Noble, Inc. The Court of Chancery has not been asked

to review, and will pass no judgment on, the payment of fees and expenses or its reasonableness.

If you have any questions regarding the litigation, please contact any of the attorneys below:

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