

**UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF TEXAS  
DALLAS DIVISION**

<b>RICHARD MOORE, et al.</b>	:	
	:	
<b>Plaintiff,</b>	:	
	:	
v.	:	<b>Civil Action No.: 3:02-CV-1152-N</b>
	:	<b>THIS DOCUMENT RELATES TO:</b>
<b>HALLIBURTON COMPANY, et al.</b>	:	<b>All Actions</b>
	:	
<b>Defendants.</b>	:	
	:	

**STIPULATION AND AGREEMENT OF SETTLEMENT**

This Stipulation and Agreement of Settlement (the “Stipulation”) is submitted pursuant to Rule 23 of the Federal Rules of Civil Procedure. Subject to the approval of the Court, this Stipulation is entered into among Lead Plaintiffs Private Asset Management, Gabriel T. Forrest, and Paul J. Benec (“Settling Lead Plaintiffs”), on behalf of themselves and the Class (as hereinafter defined), and defendants Halliburton Company, David J. Lesar, Douglas L. Foshee, Gary V. Morris and Robert Charles Muchmore (defendants Lesar, Foshee, Morris and Muchmore are collectively hereafter referred to as the “Individual Moore Defendants;” the Individual Moore Defendants and Halliburton are collectively hereafter referred to as the “Settling Securities Defendants”), by and through their respective counsel. (Any capitalized terms that are not defined in Paragraph 1 below shall have the meaning as described and defined in the body of this Stipulation.) WHEREAS:

A. The following actions are pending against Halliburton and certain of its present or former officers and directors:

(1) *Richard Moore, et al. v. Halliburton Company, et al.*, United States District Court for the Northern District of Texas, No.: 3:02-CV-1152-N, a purported class action alleging violations of the federal securities laws that has been consolidated under the Moore caption with nineteen other such purported class actions: *Turbowitz v. Halliburton Co., et al.*, (3:02-CV-1168-L); *Patel v. Halliburton Co., et al.*, (3:02-CV-1238-L); *Gardner v. Halliburton Co. et al.*, (3:02-CV-1247-L); *Abramovitz v. Halliburton Co.*, (3:02-CV-1248-L); *McAdams v. Halliburton Co.*, (3:02-CV-1261-L); *Stanley v. Arthur Andersen, et al.*, (3:02-CV-1267-L); *Gambel v. Halliburton Co.*, (3:02-CV-1268-L); *Coelho v. Arthur Andersen, et al.*, (3:02-CV-1368-L); *Vasquez v. Arthur Andersen, et al.*, (3:02-CV-1633-L); *Thibodeau v. Arthur Andersen, et al.*, (3:02-CV-1634-L); *Goldberg-Blum v. Halliburton Co., Inc., et al.*, (3:02-CV-1532-N); *Russo v. Arthur Andersen LLP, et al.*, (3:02-CV-1615-N); *Jaroslawicz v. Halliburton Co., et al.*, (3:02-CV-2130-N); *Parkes v. Halliburton Co., et al.*, (3:02-CV-2129-N); *Davis v. Halliburton Co., et al.*, (3:02-CV-2082-N); *Nemeth v. Halliburton Co., et al.*, (3:02-CV-2089-N); *Hack v. Halliburton Co., et al.*, (3:02-CV-2067-L); *Polar Invest. Club v. Halliburton Co. et al.*, (3:02-CV-2373-N) and *Kimble, et al. v. Halliburton Co., et al.*, 3:03-CV-1965-N. Thereafter, the Court entered Pretrial Order No. 1, Consolidating the Actions, Appointing Lead Plaintiffs, and Approving Lead Plaintiffs' Selection of Lead Counsel, Executive Committee and Co-Liaison Counsel ("Pretrial Order No. 1"). Pretrial Order No. 1 consolidated the original Moore action with eighteen (18) of the foregoing nineteen (19) additional purported federal securities fraud class actions (the Kimble action had not yet been filed as of the date of Pretrial Order No. 1). A separate order dated March 30, 2004, consolidated the Kimble action with Moore and the other eighteen (18) actions, and Moore and all nineteen (19) of the other actions are hereafter collectively referred to as "the Moore Action." Pretrial Order No. 1 also appointed four lead

plaintiffs, the three Settling Lead Plaintiffs and the Archdiocese of Milwaukee Supporting Fund, Inc. (“AMSF”). The three Settling Lead Plaintiffs and AMSF are hereafter collectively referred to as the “Lead Plaintiffs”.

(2) *Jack Friedberg, Derivatively on Behalf of Nominal Defendant Halliburton Company v. David J. Lesar, et al.*, United States District Court for the Northern District of Texas, Case No. 3-03-CV-0537-N (the “Derivative Action”).

B. This Stipulation is entered into with respect to the Moore Action and is intended to fully, finally and forever resolve, discharge and settle the Settled Claims with prejudice and without costs against the Released Parties. Upon and subject to the terms and conditions hereto, this Stipulation is entered into simultaneously and in connection with the Stipulation and Agreement of Settlement reflecting the settlement of the Derivative Action, both of which are subject to approval by the Court after Notice and hearing;

C. The Second Consolidated Amended Class Action Complaint (“Complaint”) in the Moore Action generally alleges, among other things, that during the proposed Class Period (as defined below), the Settling Securities Defendants knowingly or recklessly made materially false or misleading public statements concerning the financial performance of Halliburton that allegedly caused artificial inflation of the market prices for Halliburton common stock and damages to the Lead Plaintiffs and all the other individuals and Entities that purchased or otherwise acquired Halliburton common stock during the proposed Class Period, in violation of Sections 10(b) and 20(a) of the Securities and Exchange Act of 1934, 15 U.S.C. §§ 78 et seq., and Rule 10b-5 promulgated thereunder by the Securities and Exchange Commission (“SEC”). The Complaint includes allegations that during the proposed Class Period, the Settling Securities Defendants allegedly: (i) failed to disclose until 2000, that in 1998, Halliburton materially

changed its method of accounting for unapproved claims for cost overruns on long-term, fixed-price, design, engineering, procurement and construction projects predominately performed overseas so as to record and publicly report revenue from such claims; (ii) recognized revenue attributable to unapproved claims when the other party's liability for such claims was not probable and/or the expected recovery could not be reliably estimated, thereby causing total revenue for Halliburton during the proposed Class Period to be materially overstated; (iii) failed to perform adequate due diligence in connection with Halliburton's 1998 acquisition of Dresser Industries, Inc. ("Dresser") regarding Dresser's unreserved and/or underinsured liability exposure from pending and likely future third party suits seeking recovery for injuries sustained from exposure to asbestos and asbestos products, which led to the material understatement of unreserved or underinsured liabilities for asbestos related claims; and (iv) materially overstated and failed to properly writedown the value of Dresser assets on Halliburton's books and in the Company's Public Statements. The Complaint also alleges that the Individual Defendants were controlling persons of Halliburton and therefore liable under Section 20(a) of the Exchange Act in connection with the Company's alleged violations of Section 10(b) and Rule 10b-5. The Complaint alleges further that Individual Moore Defendants Lesar and Morris engaged in unlawful insider trading when they each sold a substantial portion of their personally held Halliburton common stock in 2000 at allegedly artificially inflated values for total proceeds of over \$1.1 million;

D. The Settling Securities Defendants individually and collectively deny all allegations of any wrongdoing, violation of any federal, state, local, foreign or other statute, rule, regulation or common law, fault, liability, loss or damage to the Lead Plaintiffs; deny that any one or more of them engaged in any wrongdoing, committed any violation of any federal, state,

local, foreign or other statute, rule, regulation or common law, acted improperly in any way, and/or caused any damage or loss to the Lead Plaintiffs; believe that they all acted properly at all times and believe that any Claim that was or could have been asserted against any one or more of them in the Moore Action (and/or the Derivative Action) and any other Claim arising out of or relating in any way to any of the facts, transactions, occurrences, acts, conduct, events, statements, representations or omissions referred to or that could have been referred to in the Complaint in connection with or relating to the purchase or other acquisition of Halliburton common stock by any of the Lead Plaintiffs at any time during the proposed Class Period, has no merit. The Settling Securities Defendants, however, recognize the uncertainty and the risk of the outcome of any litigation, especially complex securities litigation, and the difficulties and substantial expense and length of time necessary to defend this proceeding through the conclusion of discovery, summary judgment motions, a possible trial, possible post-trial motions, and possible appeals. To eliminate the burden and uncertainty of further litigation, the Settling Securities Defendants wish to settle the Moore Action on the terms and conditions stated in this Stipulation, and to put the Settled Claims to rest finally and forever, without in any way acknowledging any wrongdoing, fault, liability or damage to the Lead Plaintiffs, or to any other person or Entity;

E. The parties to this Stipulation acknowledge that the Moore Action has been filed by the Lead Plaintiffs and defended by the Settling Securities Defendants in good faith, that the Moore Action is being voluntarily settled upon advice of counsel and that the terms of the Settlement are fair, adequate and reasonable;

F. Lead Plaintiffs' Counsel has conducted an investigation relating to the Claims asserted in the Complaint and the underlying facts, transactions, events, conduct, occurrences, acts,

statements, representations and omissions alleged in the Complaint, has analyzed the evidence adduced during confirmatory discovery, including transcripts of depositions (together with all related exhibits) of the Individual Moore Defendants, except for individual defendant Foshee, and of numerous other current and former employees of Halliburton taken by SEC enforcement staff (“Staff”) in connection with an investigation by the Staff of Halliburton’s accounting practices with respect to the same major, fixed-price, long-term, engineering, design, procurement and construction projects at issue in the Moore Action, other documents produced to the SEC by Halliburton, documents relating to the Dresser merger, interviews with Individual Moore Defendant Muchmore and Halliburton’s in-house General Counsel regarding the Dresser merger and the facts regarding the Claims in the Complaint related to that merger, including Halliburton’s due diligence in connection with the merger, the Company’s reasons for the merger with Dresser, the evaluation by the Settling Securities Defendants of Halliburton’s ability to integrate the operations of Dresser into its own, Dresser’s potential asbestos liability exposure as of the date of the merger and Dresser’s and Halliburton’s potential asbestos liability exposure throughout the proposed Class Period, the post-merger sale of Dresser assets, the method of accounting for the merger, and the establishment and/or writedowns of various Dresser-related reserve accounts, and has researched the applicable law with respect to the Settled Claims of the Settling Lead Plaintiffs and the proposed Class and the potential defenses thereto. In addition, both Lead Plaintiffs’ Counsel, on behalf of the proposed Class, and the Settling Securities Defendants and their counsel have entered into this Stipulation after having considered the relative merits and potential litigation risks and benefits regarding the specific allegations made in the Moore Action concerning the allegedly untimely and inadequate disclosures of the change in Halliburton’s accounting for unapproved claims, the alleged overstatement of such claim

revenue and the Claims that arise out of or relate to the 1998 acquisition of Dresser by Halliburton, including those referenced above. In agreeing to this Settlement, Settling Lead Plaintiffs do not concede that any infirmities exist in any of the Settled Claims, nor do the Settling Securities Defendants concede any infirmities in any of their defenses to any of the Settled Claims or that any of the Settled Claims are valid or have merit;

G. Settling Lead Plaintiffs, by Lead Plaintiffs' Counsel, have conducted discussions and arm's length negotiations with counsel for the Settling Securities Defendants with respect to a compromise and settlement of the Moore Action and the Settled Claims with a view to settling the issues in dispute and achieving the best relief possible consistent with the interests of the proposed Class; and

H. Based upon their consideration, investigation and confirmatory discovery as set forth above, Lead Plaintiffs' Counsel and the Settling Lead Plaintiffs, by their counsel, have concluded that the terms and conditions of this Stipulation are fair, reasonable, adequate and in the best interests of Settling Lead Plaintiffs and the other members of the Class and have agreed to settle, pursuant to the terms and conditions of this Stipulation, all Claims asserted or that could have been asserted in the Moore Action arising out of or relating in any way to any transaction, fact, occurrence, event, conduct, act, statement, representation or omission alleged or that could have been alleged in the Complaint in connection with or relating to any purchase or other acquisition of Halliburton stock by any Class Member at any time in the proposed Class Period, after considering (a) the substantial benefits that the Settling Lead Plaintiffs and the other members of the proposed Class stand to receive from settlement of the Moore Action on the terms set forth in this Stipulation, (b) the costs and attendant risks of litigation, including the risk that the Moore Action might be subject to a motion to dismiss for failure to state a claim and/or

for failure to satisfy the pleading requirements of the Private Securities Litigation Reform Act, (c) the risk that the Claims asserted or that could have been asserted in the Moore Action arising out of or relating in any way to any transaction, fact, occurrence, event, conduct, act, statement, representation or omission referred to or that could have been referred to in the Complaint in connection with or relating to any purchase or other acquisition of Halliburton common stock by any Class Member, may be barred by the applicable statute of limitations, (d) the risk that the Settling Securities Defendants have valid defenses to all such Claims, (e) the risk that even if liability on the part of one or more of the Settling Securities Defendants might be established, the Settling Lead Plaintiffs and the other members of the proposed Class might not be able to establish that they suffered any loss or damage as a consequence thereof and (f) the desirability of permitting the Settlement to be consummated as provided by the terms of this Stipulation;

NOW, THEREFORE, IT IS HEREBY STIPULATED AND AGREED, by and among the parties to this Stipulation through their respective attorneys, that subject to the approval of the Court pursuant to Rule 23(e) of the Federal Rules of Civil Procedure, and in consideration of the benefits flowing to the parties hereto from the Settlement, the Moore Action, all Claims alleged therein and all other Settled Claims as against the Released Parties shall be fully, finally and forever compromised, settled, released, discharged and dismissed with prejudice, upon and subject to the following terms and conditions:

### **CERTAIN DEFINITIONS**

1. As used in this Stipulation, the following terms shall have the following meanings:



(a) “Authorized Claimant” means a Class Member who submits a timely and valid Proof of Claim form to the Claims Administrator.

(b) “Claims Administrator” means The Garden City Group, LLC, Melville, NY, 631-470-5000, which shall administer the Settlement.

(c) “Claims” means any and all claims, rights, demands, matters, issues, actions, causes of action, suits, allegations, complaints, promises, choses or choses in action and/or controversies for actual or exemplary damages, debts, losses, judgments, fees, obligations, costs, expenses, attorneys’ and/or other fees and/or any other liabilities, recoveries and/or remedies of whatever kind, nature or description, whether based on or arising under contract, tort, any federal, state, local, foreign or any other statute, regulation, rule or common law or otherwise, and whether now known or unknown, accrued or unaccrued, absolute or contingent, matured or unmatured, suspected or unsuspected, determined or speculative, liquidated or unliquidated, whether or not asserted, threatened, alleged or litigated at law, equity or otherwise in any type of forum (judicial, administrative, arbitral or other) and whether or not concealed or hidden. The term “unknown” as used in this definition, and in the definition of Settled Claims below, includes Claims that any or all of the Releasers or the Released Parties do not now know or suspect to exist, which, if known by him, her or it, might affect his, her or its agreement to release the Settled Claims or the Settled Defendants’ Claims, as the case may be, or might affect his, her or its decision to object or not to object to the Settlement as set forth in this Stipulation.

(d) “Class” and “Class Members” mean, for the purposes of this Settlement only, all persons and Entities (and a “member of the Class” or a “Class Member” mean, for the purposes of this Settlement only, any person or Entity) who purchased or otherwise acquired the common stock of Halliburton on the open market during the period from January 1, 1998,

through and including May 28, 2002, inclusive, at allegedly artificially inflated prices, and are alleged to have been damaged thereby. Excluded from the Class are the Individual Moore Defendants, the Settling Derivative Defendants, the current and former officers and directors of Halliburton and members of their immediate families (parents, spouses, children, siblings), any corporation, firm partnership, trust or other person affiliated with the Individual Moore Defendants and the Settling Derivative Defendants, and the Legal Representatives, heirs and/or beneficiaries of any excluded party. Also excluded from the Class are any putative Class Members who submit a valid and timely request for exclusion in accordance with the requirements set forth in the Notice.

(e) “Class Period” means, for the purposes of this Settlement only, the period of time from January 1, 1998, through and including May 28, 2002.

(f) “Company’s Public Statements” means, for the purposes of this Settlement only; (a) any and all financial and/or operating reports of Halliburton filed with the SEC on SEC Forms 10-K, 10-Q and/or 8-K during the Class Period; (b) any registration statement regarding Halliburton stock that was filed by Halliburton with the SEC or that was effective during the proposed Class Period, (c) any and all press releases issued by Halliburton during the proposed Class Period, (d) any and all public statements made by any means whatsoever during the proposed Class Period by any director, officer or employee of Halliburton or by any other person or Entity making such communication, or purporting to be making such communication, on behalf of Halliburton; and (e) any and all other forms of communication (including written, oral or electronic) regarding any aspect of any of the operations or financial condition or results of Halliburton made at any time during the proposed Class Period between or among any one or more of the directors, officers or employees of Halliburton or other persons or Entities

communicating or purporting to be communicating on behalf of Halliburton, on the one hand, and any actual or potential investor in Halliburton or any other third party, on the other hand.

(g) “Defendants’ Counsel” means the law firms of Kirkpatrick & Lockhart, LLP, Godwin Gruber, LLP, Hughes & Luce, LLP and Thompson & Knight, LLP.

(h) “Derivative Action” means the action currently pending in the Northern District of Texas, captioned *Jack Friedberg, Derivatively on Behalf of Nominal Defendant Halliburton Company v. David J. Lesar, et al.* No. 3-03-CV-0537-L.

(i) “Derivative Plaintiff’s Counsel” means The Law Firm of Brian Felgoise.

(j) “Effective Date” means the date upon which the Settlement contemplated by this Stipulation shall become effective, as set forth in Paragraph 30 below.

(k) “Entity” means any form of corporation, company, partnership, association, trust or other business entity of any kind, including foreign or domestic, for-profit or not-for-profit, charitable, taxable or non-taxable or publicly or privately owned, and includes any and all predecessors, successors and assigns of the Entity, their and its present or former parents, subsidiaries, departments, divisions or affiliates and, for all the foregoing, their respective present or former directors, officers, members, partners, principals, associates, employees, agents, fiduciaries, trusts, trustees, beneficiaries, insurers, reinsurers, attorneys, accountants, investment bankers, underwriters, any other advisors, lenders, receivers, representatives, successors, assigns and any other persons or Entities formerly or currently acting on behalf, for the benefit or in place of them.

(l) “Final Order and Judgment” means the proposed order to be entered approving the Settlement substantially in the form attached hereto as Exhibit B.

(m) “Halliburton” means Halliburton Company and any and all of (i) its predecessors, successors and assigns; (ii) its and their present or former parents, divisions, departments, subsidiaries or affiliates; and (iii) for each of the foregoing, any and all of their respective present or former directors, officers, members, partners, principals, associates, employees, agents, fiduciaries, trusts, trustees, beneficiaries, insurers, reinsurers, attorneys, accountants, investment bankers, underwriters, any other advisors, lenders, receivers, representatives, successors and assigns of, and any other persons or Entities formerly or currently acting on behalf, for the benefit or in place of any of them.

(n) “Individual Defendants” means the Individual Moore Defendants together with the Settling Derivative Defendants.

(o) “Lead Plaintiffs’ Counsel” means the law firm of Schiffrin & Barroway, LLP.

(p) “Legal Representative” means, with respect to a natural person, and all of such person’s executors, estates, trusts, trustees, administrators, guardians, agents, receivers, attorneys, insurers, reinsurers, successors-in-interest, assigns and/or any other natural person or Entity acting on behalf of, in the place of or for the benefit of such person.

(q) “Notice” means the Notice of Pendency of Class Action, Hearing On Proposed Settlement and Attorneys’ Fee Petition and Right to Share in Net Settlement Fund, which is to be sent to members of the Class substantially in the form attached hereto as Exhibit 1 to Exhibit A.

(r) “Preliminary Approval Order” means the proposed order preliminarily approving the Settlement and directing notice thereof to the Class substantially in the form attached hereto as Exhibit A.

(s) “Publication Notice” means the summary notice of proposed Settlement and hearing for publication substantially in the form attached as Exhibit 3 to Exhibit A.

(t) “Released Parties” means all Settling Lead Plaintiffs’ Counsel, all Defendants’ Counsel, the Settling Securities Plaintiffs, the Settling Derivative Plaintiff, the Settling Securities Defendants, the Settling Derivative Defendants and, with respect to any Entity of any kind included in any of the foregoing categories of “Released Parties” (including Halliburton), the Entity itself and its respective predecessors, successors and assigns, each of their respective present or former parents, subsidiaries, divisions, departments or affiliates and, with respect to any and all of the foregoing, any and all of their respective present or former directors, officers, members, partners, principals, associates, employees, agents, fiduciaries, trusts, trustees, beneficiaries, insurers, reinsurers, attorneys, accountants, investment bankers, underwriters, any other advisors, lenders, receivers, representatives, successors, assigns and any other persons or Entities formerly or currently acting on behalf, for the benefit or in place of them, and, with respect to all Individual Defendants and any and all other individual persons who are among the categories of “Released Parties” previously referred to in this Paragraph, any and all of their respective immediate families (parents, spouses, children and siblings), heirs, beneficiaries and/or Legal Representatives.

(u) “Releasers” means the Settling Lead Plaintiffs and each and every other Class Member on behalf of themselves and, to the fullest extent permitted by law, their respective immediate families (parents, spouses, children, siblings), heirs, beneficiaries and/or other Legal Representatives in the case of any Settling Lead Plaintiff or other Class Member, and, in the case of any Settling Lead Plaintiff or other Class Member that is an Entity, the Entity itself and all its predecessors, successors and assigns together with each of their respective

present or former parents, subsidiaries, affiliates, departments or divisions, and, in the case of each the foregoing, their respective present or former directors, officers, members, partners, principals, associates, employees, agents, fiduciaries, trusts, trustees, beneficiaries, insurers, reinsurers, attorneys, accountants, investment bankers, underwriters, any other advisors, lenders, receivers, representatives, successors-in-interests, assigns and/or any other persons or Entities formerly or currently acting on behalf of, for the benefit of or in place of any of them.

(v) “Settlement” means the settlement contemplated by this Stipulation.

(w) “Settled Claims” means any and all Claims asserted or that could have been asserted by any of the Releasors, whether directly, indirectly, representatively, derivatively or in any other capacity, in the Moore Action and/or in any other federal, state, local or foreign forum (judicial, administrative, arbitral or other), against any of the Released Parties, arising out of or relating in any way to any transaction, fact, occurrence, conduct, act, event, representation, statement or omission alleged or that could have been alleged in the Complaint in connection with or relating to any purchase or other acquisition of Halliburton common stock by any Class Member at any time during the proposed Class Period, whether known or unknown (as “unkown” is defined in Paragraph 1(c) above), arising under any federal, state, local statutory or common law, rule or regulation, including the law of any foreign jurisdiction. The “Settled Claims” include, without limitation, any and all Claims under any federal or state securities laws, any and all Claims arising out of or relating in any way to the prosecution, defense or settlement of, or settlement negotiations with respect to, the Moore Action and/or any of the actions consolidated therein, and any and all Claims for attorneys' fees, fraud, breach of Halliburton's

policies or procedures, negligence, gross negligence, recklessness, negligent misrepresentation and or for declaratory judgment,

(x) “Settling Defendants” means the Settling Derivative Defendants and the Settling Securities Defendants.

(y) “Settling Derivative Defendants” means David J. Lesar, Robert L. Crandall, Kenneth T. Derr, Charles J. DiBona, Lawrence S. Eagleburger, William R. Howell, Ray L. Hunt, Alwyn B. Lewis, J. Landis Martin, Jay A. Precourt, and Deborah L. Reed.

(z) “Settling Derivative Parties” means the Settling Derivative Plaintiff and the Settling Derivative Defendants.

(aa) “Settling Derivative Plaintiff” means derivative plaintiff Jack Friedberg suing derivatively on behalf of nominal defendant Halliburton Company.

(bb) “Settling Parties” means the Settling Securities Parties and the Settling Derivative Parties.

(cc) “Settling Plaintiffs” means the Settling Securities Plaintiffs and the Settling Derivative Plaintiffs.

(dd) “Settling Securities Defendants” means Halliburton, David J. Lesar, Douglas L. Foshee, Gary V. Morris and Robert Charles Muchmore.

(ee) “Settling Securities Plaintiffs” means the Settling Lead Plaintiffs (Private Asset Management, Gabriel T. Forrest, and Paul J. Benec) in the Moore Action and each Class Member.

### **SCOPE AND EFFECT OF SETTLEMENT**

2. Pursuant to the Final Order and Judgment, upon the Effective Date of this Settlement, the Releasers shall release and forever discharge, and shall forever be enjoined from

prosecuting, any and all Settled Claims against any of the Released Parties. Pursuant to the Final Order and Judgment, upon the Effective Date of this Settlement, the Released Parties shall release and forever discharge, and shall forever be enjoined from prosecuting, any and all Claims against the Settling Lead Plaintiffs, their attorneys and all other Class Members arising out of or relating in any way to any transaction, fact, occurrence, conduct, act, event, representation, statement or omission alleged or that could have been alleged in the Complaint in connection with or relating to any purchase or other acquisition of Halliburton common stock by any Class Member at any time during the proposed Class Period, or the initiation, prosecution, defense or settlement of, or the settlement negotiations with respect to, the Moore Action or any of the actions consolidated therein.

3. Notwithstanding anything to the contrary in ¶2 above or elsewhere in this Stipulation, each of the Settling Parties expressly reserves the right to bring Claims against any of the other Settling Parties to enforce any provision of this Stipulation as against such other Settling Party. The Settling Parties acknowledge and agree that Settling Securities Defendants may, in the event that any Releasor, directly, indirectly, representatively, derivatively or in any other capacity, files or prosecutes any Settled Claim against any Released Party in any federal, state, local or foreign forum (judicial, administrative, arbitral or other), such Released Party may seek an order from this Court requiring specific performance by such Releasor with respect to this Stipulation and Settlement and/or enjoining or otherwise prohibiting such Releasor from so acting, and that the Final Order and Judgment will contain a provision to that effect.

4. Pursuant to the Final Order and Judgment, upon the Effective Date of this Settlement, the Released Parties shall release and forever discharge, and shall forever be enjoined from prosecuting, any and all Claims arising from or relating to the Settled Claims



against any other Released Party, including, without limitation, (i) all Claims for contribution under Section 11(f) of the Securities Act of 1933; (ii) all Claims for contribution under Sections 21D(f)(7)(A) and 21D(f)(10)(C) of the Securities Exchange Act of 1934, as amended by the Private Securities Litigation Reform Act (“PSLRA”), 15 U.S.C. §§ 77k(f)(2), 78u-4(f)(7)(A) and 78u-4(f)(10)(C); and (iii) any other Claims for contribution under statutory law, common law, or any other law, rule or regulation (whether federal, state, local, foreign or otherwise).

5. Notwithstanding anything to the contrary in ¶ 4, the Individual Defendants (including their immediate families (parents, spouses, children, siblings), heirs, beneficiaries and/or Legal Representatives) expressly reserve the right to bring Claims arising from or relating to the funding of the Gross Settlement Fund (as defined in ¶ 7 below) against Halliburton.

6. With respect to any and all Settled Claims, the parties stipulate and agree that, upon the Effective Date, each of the Settling Lead Plaintiffs and Settling Securities Defendants shall expressly, and each of the other Class Members and other Releasors and Released Parties shall be deemed to, and by operation of the Final Order shall, with respect to the releases given by them in this Stipulation, have waived any and all provisions, rights and benefits conferred by any law of any state or territory of the United States, or principle of common law, or the law of any foreign jurisdiction, which is similar, comparable or equivalent to Section 1542 of the California Civil Code. Section 1542 of the California Civil Code provides:

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

Settling Lead Plaintiffs on behalf of the Releasors, and Settling Securities Defendants on behalf of the Released Parties, 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 their respective releases, but that it is their intention, on behalf of the Releasors and the Released Parties, respectively, to fully, finally and forever settle and release the Claims set forth in ¶¶ 2-5, including unknown Claims as that term is defined in ¶1(c). The Settling Lead Plaintiffs and the Settling Securities Defendants acknowledge, and the other Class Members, current Halliburton shareholders and other Releasors by operation of law shall be deemed to have acknowledged, that the inclusion of "unknown" Claims in the definition of both Claims and Settled Claims was separately bargained for and was a key element of the Settlement.

#### **THE SETTLEMENT CONSIDERATION**

7. In full and final settlement of all Claims against the Settling Securities Defendants in the Moore Action, the Settling Securities Defendants have paid the Settlement of \$6,000,000 in cash (the "Gross Settlement Fund") into an escrow account, which has been accruing interest since July 1, 2003. The Garden City Group will serve as the escrow agent on the account. The terms governing expenditure of the Gross Settlement Fund are set forth below.

(a) All reasonable costs and expenses of notice to members of the Class, for notice of the settlement of the Derivative Action and administration of the Settlement Fund, including attorneys fees, referred to in ¶¶ 11-13 hereof, escrow fees, taxes, custodial fees payment to nominees for providing names of holders, and expenses incurred in connection with processing proofs of Claims or distributing the Settlement Fund, shall be paid from the Settlement Fund. Neither any of the Settling Defendants nor their counsel shall be liable to the

Class, any of the Settling Lead Plaintiffs or their attorneys (including Lead Plaintiffs' Counsel) or any other Class Member and/or his/her/its attorneys for any of the aforementioned costs; expenses; escrow, custodial or other fees; taxes; and/or the fees and/or expenses of any attorneys, experts, consultants, agents and/or representatives who may have provided goods or services to or for the benefit of the Class Members but all such costs, fees, and expenses as approved by the Court may be paid out of the Settlement Fund.

(b) \$150,000 of the \$6,000,000 Gross Settlement Fund has been allocated for the express purpose of providing notice of the Settlement to the members of the Class, notice of the settlement of the Derivative Action, and to administer the Settlement Fund (the "Notice and Administration Fund"), pursuant to the terms of the Preliminary Order.

8. The balance of the Gross Settlement Fund after the payments referred to in ¶7(a) above, shall be the "Net Settlement Fund" and shall be distributed to the Authorized Claimants as provided in ¶¶15-17 hereof. All funds held by the escrow agent shall be deemed to be in the custody of the Court and shall remain subject to the jurisdiction of the Court until such time as the funds shall be distributed or returned to the persons paying the same pursuant to this Stipulation and/or further order of the Court. The escrow agent shall invest any funds in excess of \$100,000 in short term United States Agency or Treasury Securities, and shall collect and reinvest all interest accrued thereon. Any funds held in escrow in an amount of less than \$100,000 may be held in an interest bearing bank account insured by the FDIC. The parties hereto agree that the Settlement Fund is intended to be a Qualified Settlement Fund within the meaning of Treasury Regulation §1.468B-1 and that The Garden City Group, as administrator of the Settlement Fund within the meaning of Treasury Regulation § 1.468B-2(k)(3), shall be responsible for filing tax returns for the Gross Settlement Fund and paying from the Settlement

Fund any Taxes owed with respect to the Settlement Fund. Counsel for Halliburton agrees to provide promptly to The Garden City Group the statement described in Treasury Regulation § 1.468B-3(e).

(b) All taxes on the income of the Settlement Fund and all expenses and costs incurred in connection with the taxation of the Settlement Fund (including, without limitation, expenses of tax attorneys and accountants) (collectively “Taxes”) shall be paid out of the Settlement Fund, shall be considered to be a cost of administration of the Settlement and shall be timely paid by the Claims Administrator without prior order of the Court.

### **ADMINISTRATION**

9. The Claims Administrator shall administer the Settlement under Lead Plaintiffs’ Counsel’s supervision and subject to the jurisdiction of the Court. Except as stated in ¶20 hereof, the Settling Securities Defendants and their counsel shall have no responsibility for the administration of the Settlement and shall have no liability to the Class or to any other person or entity in connection with such administration. Defendants’ Counsel shall cooperate in the administration of the Settlement to the extent reasonably necessary to effectuate its terms. Counsel for Halliburton shall provide from Halliburton’s transfer records, without charge: (1) the identity and last known addresses of members of the Class and their transactions, and (2) the identity and last known addresses for shareholders in the Derivative Action.

10. Lead Plaintiffs’ Counsel may expend from the Gross Settlement Fund, without further approval from the Settling Defendants or the Court, the reasonable costs and expenses associated with the administration of the Securities Settlement and the Derivative Settlement, including without limitation, the costs of identifying members of the Class and effecting mail Notice and Publication Notice. Such amounts shall include, without limitation, the actual costs

of publication, printing and mailing the Notice, reimbursements to nominee owners for identifying beneficial owners and forwarding notice to their beneficial owners, and the administrative expenses incurred and fees charged by the Claims Administrator in connection with providing Notice and processing the submitted claims. Except for such payments, no amounts shall be disbursed from the Gross Settlement Fund except upon written order of the Court.

### **ATTORNEYS' FEES AND EXPENSES**

11. At the Final Hearing, or at such other time in the course of the litigation as the Court may direct, Lead Plaintiffs' Counsel will apply to the Court for an award of attorneys' fees and reimbursement of expenses, including but not limited to the fees of experts or consultants, in an amount not to exceed one-third (33 1/3%) of the Gross Settlement Fund, and for reimbursement of expenses, plus interest. Lead Plaintiffs' Counsel shall be solely responsible for allocating the attorneys' fees and reimbursement of expenses awarded by the Court among all counsel representing the proposed Class. Also at the Final Hearing, or at such other time in the course of the litigation as the Court may direct, Derivative Counsel will apply to the Court for an award of attorneys' fees and reimbursement of expenses of up to \$100,000.

12. Such attorneys' fees, expenses, and interest as are awarded by the Court shall be payable from the Gross Settlement Fund to Lead Plaintiffs' Counsel and Derivative Counsel immediately following entry of an order by the Court approving any fees and expenses to Lead Plaintiffs' Counsel, notwithstanding the existence of any timely filed objections thereto, or potential for appeal therefrom, or collateral attack on the Settlement or any part thereof, provided, however, that Lead Plaintiffs' Counsel and Derivative Counsel shall be obligated to refund or repay the Gross Settlement Fund, plus accrued interest at the same net rate as is earned

by the Gross Settlement Fund, if and when, as a result of any appeal and/or further proceedings on remand, or successful collateral attack, the fee or cost award is reduced or reversed and/or the Settlement and/or Stipulation is invalidated or held to be null and void.

13. The granting by the Court of any application by Lead Plaintiffs' Counsel and/or Derivative Counsel for attorneys' fees and reimbursement of expenses, or the amount thereof, are not conditions of the Settlement. The request by Lead Plaintiffs' Counsel and Derivative Counsel for attorneys' fees and reimbursement of expenses is to be considered by the Court separately from the Court's consideration of the question of whether the Settlement is fair, reasonable and adequate. Any order or proceedings relating to any request for attorneys' fees and reimbursement of expenses or any appeal from any order or proceedings relating to any of these subjects, shall not affect or delay the Effective Date and the finality of the Final Order and Judgment approving the Settlement of the Moore Action.

#### **ADMINISTRATION EXPENSES**

14. Lead Plaintiffs' Counsel will apply to the Court, on notice to all Defendants' Counsel, for an order (the "Class Distribution Order") approving the Claims Administrator's administrative determinations concerning the acceptance and rejection of the Proof of Claim forms submitted herein by purported Class Members and approving any fees and expenses not previously applied for, including the fees and expenses of the Claims Administrator, and, if the Effective Date has occurred, directing payment of the Net Settlement Fund to Authorized Claimants.

#### **DISTRIBUTION TO AUTHORIZED CLAIMANTS**

15. The Claims Administrator shall determine each Authorized Claimant's *pro rata* share of the Net Settlement Fund based upon each Authorized Claimant's "Recognized Claim"

(as defined in the Plan of Allocation described in the Notice annexed hereto as Exhibit 1 to Exhibit A, or in such other Plan of Allocation as the Court approves).

16. The Plan of Allocation proposed in the Notice is not a necessary term of this Stipulation and it is not a condition of this Stipulation that that Plan of Allocation be approved.

17. Each Authorized Claimant shall be allocated a *pro rata* share of the Net Settlement Fund based on his or her Recognized Claim compared to the total Recognized Claims of all accepted claimants. This is not a claims-made settlement. The Settling Defendants shall not be entitled to get back any of the settlement monies once the Effective Date of the Settlement occurs. The Settling Defendants shall have no involvement in reviewing or challenging claims.

18. The approval by the Court of the Plan of Allocation is not a condition of the Settlement. The Plan of Allocation is to be considered by the Court separately from the Court's consideration of the question of whether the Settlement is fair, reasonable and adequate. In the event that the Plan of Allocation is not approved by the Court, Lead Plaintiffs' Counsel will propose an amended Plan of Allocation as necessary to implement the distribution of the Settlement. Any order or proceedings relating to the Plan of Allocation shall not affect or delay the Effective Date of the Settlement and the finality of the Final Order and Judgment approving the Settlement.

#### **ADMINISTRATION OF THE SETTLEMENT**

19. Any Class Member who does not submit a valid Proof of Claim will not be entitled to receive any of the proceeds from the Net Settlement Fund but will otherwise be bound by all of the terms of this Stipulation and the Settlement, including the terms of the Final Order and Judgment to be entered in the Action and the releases provided for herein.

20. Lead Plaintiffs' Counsel shall be responsible for disseminating the Notice of the Settlement, and supervising the Claims Administrator's administration of the Settlement and disbursement of the Net Settlement Fund. Except for Halliburton's obligation to pay the amount of the Gross Settlement Fund and Halliburton's obligation to provide certain information specified herein, without charge to any party, with respect to the names and last known addresses of Class Members and current shareholders from Halliburton's shareholder transfer records, as provided herein, neither any of the Settling Defendants, nor any of Defendants' Counsel, shall have any liability, obligation or responsibility whatsoever in connection with the Settlement or the Settlement Fund, including, without limitation, for the administration of the Settlement or the Settlement Fund or disbursement of the Net Settlement Fund. Lead Plaintiffs' Counsel shall have the right, but not the obligation, to waive what they deem to be formal or technical defects in any Proofs of Claim submitted in the interests of achieving substantial justice.

21. For purposes of determining the extent, if any, to which a Class Member shall be entitled to be treated as an "Authorized Claimant," the following conditions shall apply:

(a) Each Class Member shall be required to submit a signed Proof of Claim (see attached Exhibit 2 to Exhibit A), supported by such documents as are designated therein, including proof of the claimant's loss, or such other documents or proof as Lead Plaintiffs' Counsel, in their discretion, may deem acceptable;

(b) All Proofs of Claim must be submitted by the date specified in the Notice unless such period is extended by Order of the Court. Any Class Member who fails to submit a Proof of Claim by such date shall be forever barred from receiving any payment pursuant to this Stipulation (unless, by Order of the Court, a later submitted Proof of Claim by such Class Member is approved), but shall in all other respects be bound by all of the terms of this



Stipulation and the Settlement including the terms of the Final Order and Judgment to be entered in the Action and the releases provided for herein. Provided that it is received before the motion for the Class Distribution Order is filed, a Proof of Claim shall be deemed to have been submitted when posted, if received with a postmark indicated on the envelope and if mailed by first-class mail and addressed in accordance with the instructions thereon. In all other cases, the Proof of Claim shall be deemed to have been submitted when actually received by the Claims Administrator;

(c) Each Proof of Claim shall be submitted to and reviewed by the Claims Administrator, under the supervision of Lead Plaintiffs' Counsel, who shall determine in accordance with this Stipulation the extent, if any, to which each claim shall be allowed, subject to review by the Court pursuant to ¶ 21(e) below;

(d) Proofs of Claim that do not meet the submission requirements may be rejected. Prior to rejection of a Proof of Claim, the Claims Administrator shall communicate with the claimant in order to remedy the curable deficiencies in the Proof of Claim submitted. The Claims Administrator, under supervision of Lead Plaintiffs' Counsel, shall notify, in a timely fashion and in writing, all claimants whose Proofs of Claim they propose to reject in whole or in part, setting forth the reasons therefor, and shall indicate in such notice that the claimant whose claim is to be rejected has the right to a review by the Court if the claimant so desires and complies with the requirements of ¶ 21(e) below;

(e) If any claimant whose claim has been rejected in whole or in part desires to contest such rejection, the claimant must, within twenty (20) days after the date of mailing of the Notice required in ¶ 21(d) above, serve upon the Claims Administrator a notice and statement of reasons indicating the claimant's grounds for contesting the rejection along with any

supporting documentation, and requesting a review thereof by the Court. If a dispute concerning a Proof of Claim cannot be otherwise resolved, Lead Plaintiffs' Counsel shall thereafter present the request for review to the Court; and

(f) The administrative determinations of the Claims Administrator accepting and rejecting claims shall be presented to the Court, on notice to all Defendants' Counsel, for approval by the Court in the Class Distribution Order.

22. Each claimant shall be deemed to have submitted to the exclusive jurisdiction of this Court with respect to the claimant's Proof of Claim, and the Proof of Claim will be subject to investigation and discovery under the Federal Rules of Civil Procedure, provided that such investigation and discovery shall be limited to that claimant's status as a Class Member and the validity and amount of the claimant's claim. No discovery shall be allowed on the merits of the Moore Action (or the Derivative Action) or the nature, substance, content, merits, fairness or adequacy of the Settlement or of the negotiations leading thereto in connection with the processing of Proofs of Claim.

23. Payment of allowed Proofs of Claim to Authorized Claimants pursuant to this Stipulation shall be deemed final and conclusive against all Class Members. All Class Members whose claims are not approved by the Claims Administrator and/or the Court shall be barred from participating in distributions from the Net Settlement Fund, and shall be bound by all of the terms of this Stipulation and the Settlement, including the terms of the Final Order and Judgment to be entered in the Moore Action and the releases provided for herein.

24. All proceedings with respect to the administration, processing and determination of Proofs of Claims described by ¶ 21 of this Stipulation and the determination of all controversies relating thereto, including disputed questions of law and fact with respect to the

validity of claims of any Class Member, shall be subject to the exclusive jurisdiction of this Court.

25. The Net Settlement Fund shall be distributed to Authorized Claimants by the Claims Administrator only after the Effective Date and after: (i) all Proof of Claim forms have been processed, and all claimants whose Proofs of Claim have been rejected or disallowed, in whole or in part, have been notified and provided the opportunity to be heard concerning such rejection or disallowance; (ii) all objections with respect to all rejected or disallowed claims have been resolved by the Court, and all appeals therefrom have been resolved or the time therefor has expired; (iii) all matters with respect to attorneys' fees, costs, and disbursements have been resolved by the Court, all appeals therefrom have been resolved or the time therefor has expired; and (iv) all costs of administration have been paid.

#### **TERMS OF PRELIMINARY APPROVAL ORDER**

26. Promptly after this Stipulation has been fully executed, Lead Plaintiffs' Counsel and Defendants' Counsel jointly shall apply to the Court for entry of a Preliminary Approval Order, substantially in the form annexed hereto as Exhibit A.

27. The Settling Lead Plaintiffs and the Settling Securities Defendants stipulate to the certification of the Class and certification of the Settling Lead Plaintiffs as representatives of the Class solely for the purpose of this Settlement. If the Settlement is not approved by the Court or is not consummated for any other reason, the Settling Securities Defendants reserve the right to oppose certification of the Class, or any other class, and to oppose certification or appointment of any Settling Lead Plaintiff as representative of the Class, or any other class, in the Moore Action.

#### **TERMS OF FINAL ORDER AND JUDGMENT**

28. If the Settlement contemplated by this Stipulation is approved by the Court, Lead Plaintiffs' Counsel and the Settling Securities Defendants' counsel jointly shall request that the Court enter a Final Order and Judgment substantially in the form annexed hereto as Exhibit B.

### **SUPPLEMENTAL AGREEMENT**

29. Simultaneously herewith, Lead Plaintiffs' Counsel and the Settling Securities Defendants' counsel are executing a "Supplemental Agreement" setting forth certain conditions under which this Stipulation may be terminated by the Settling Securities Defendants if potential Class Members who purchased in excess of a certain number of shares of Halliburton common stock traded during the Class Period exclude themselves from the Class. The Supplemental Agreement shall not be filed unless a dispute arises as to its terms. In the event of a termination of this Stipulation pursuant to the Supplemental Agreement, this Stipulation shall become null and void and of no further force and effect and the provisions of ¶ 32 shall apply. Notwithstanding the foregoing, the Stipulation shall not become null and void as a result of the election by the Settling Securities Defendants to exercise their option to terminate the Stipulation pursuant to the Supplemental Agreement until the conditions for termination set forth in the Supplemental Agreement have been satisfied.

### **EFFECTIVE DATE OF SETTLEMENT, WAIVER OR TERMINATION**

30. The Effective Date of Settlement shall be one business day following the latest of the following events:

(a) entry of the Preliminary Approval Order in all material respects in the form annexed hereto as Exhibit A;

(b) approval by the Court of the Settlement, following notice to the Class and a hearing, as prescribed by Rule 23 of the Federal Rules of Civil Procedure; and

(c) entry by the Court of a Final Order and Judgment, in all material respects in the form set forth in Exhibit B annexed hereto, and (i) the expiration of any time for appeal or review of such Final Order and Judgment or, (ii) if any appeal is filed and not dismissed, after such Final Order and Judgment is upheld on appeal in all material respects and is no longer subject to review upon appeal or review by writ of certiorari, or, (iii) in the event that the Court enters a Final Order and Judgment in a form other than that provided above (“Alternative Judgment”) and none of the parties hereto elect to terminate this Settlement, the date that such Alternative Judgment becomes final and no longer subject to appeal or review.

31. The Settling Securities Defendants’ counsel or Lead Plaintiffs’ Counsel shall have the right to terminate the Settlement and this Stipulation by providing written notice of their election to do so (“Termination Notice”) to all other signatories hereto within thirty (30) days of: (a) the Court’s declining to enter the Preliminary Approval Order in any material respect; (b) the Court’s refusal to approve this Stipulation or any material part of it; (c) the Court’s declining to enter the Final Order and Judgment in any material respect; (d) the date upon which the Final Order and Judgment is modified or reversed in any material respect by the Court of Appeals or the Supreme Court; (e) the date upon which an Alternative Judgment is modified or reversed in any material respect by the Court of Appeals or the Supreme Court. The Settling Securities Defendants also shall have the option of terminating the Settlement and this Stipulation in accordance with the terms of the Supplemental Agreement.

32. Except as otherwise provided herein, in the event the Settlement and/or this Stipulation is terminated or fails to become effective for any reason, then the parties to this Stipulation shall be deemed to have reverted to their respective status in the Moore Action as of May 28, 2003, and, except as otherwise expressly provided, (a) the parties shall proceed in all

respects as if this Stipulation and any related orders had not been entered, (b) any portion of the Settlement Fund previously paid by the Settling Securities Defendants, together with any interest earned thereon, less any Taxes due with respect to such income, and less costs of administration and notice actually incurred and paid or payable from the Settlement Fund, shall be returned to the persons paying the same, (c) if the proposed Class has been certified by the Court for the purpose of the Settlement, then that class certification will be null and void and the Settling Securities Defendants shall have the right to object to certification of the proposed Class or any other class at any future time, and (d) this Stipulation and the Settlement shall be null and void and have no further force or effect, and shall not be referred to, admissible in or introduced in any other way for any reason in any proceeding, except as expressly stated in this Stipulation.

#### **NO ADMISSION OF WRONGDOING**

33. This Stipulation, whether or not consummated, and any proceedings taken pursuant to it:

(a) shall not be offered or received against any of the Settling Defendants as evidence of or construed as or deemed to be evidence of any presumption, concession, or admission by any of the Settling Defendants with respect to (i) the truth of any fact alleged by Lead Plaintiffs or any Class Member or, (ii) the validity of any Settled Claim and/or any Claim that was or could have been asserted in the Moore and/or Derivative Actions or in any other litigation or proceeding, or (iii) the deficiency of any defense that was or could have been asserted in the Moore Action, the Derivative Action or in any other litigation or proceeding, or (iv) any liability, negligence, fault or wrongdoing of any of the Settling Defendants;

(b) shall not be offered or received against any of the Settling Defendants as evidence of a presumption, concession or admission of any fault, misrepresentation or omission

with respect to any statement or written document approved or made by any Settling Defendant, or against the Settling Lead Plaintiffs and any member of the proposed Class as evidence of any infirmity in any of the Claims of Lead Plaintiffs and the proposed Class;

(c) shall not be offered or received against the Settling Defendants or against the Settling Lead Plaintiffs or the proposed Class as evidence of a presumption, concession or admission with respect to any liability, negligence, fault or wrongdoing, or in any way referred to for any other reason as against any of the parties to this Stipulation, in any other civil, criminal, administrative or other proceeding, other than such proceedings as may be necessary to effectuate or enforce the provisions of this Stipulation; provided, however, that if this Stipulation is approved by the Court, the Settling Defendants may refer to it to effectuate or enforce the releases or any other rights, terms or provisions set forth herein, and to that end may use this Stipulation and/or the Final Order and Judgment, in any action or other proceeding to support a defense, claim, counter-claim or cross-claim based on principles of res judicata, collateral estoppel, release, good faith settlement, judgment bar or reduction or any other theory of claim preclusion or similar claim, defense, counter-claim or cross-claim;

(d) shall not be construed against the Settling Defendants or the Settling Plaintiffs and the Class as an admission, concession or presumption that the consideration to be given hereunder represents the amount which could be or would have been recovered after trial; and

(e) shall not be construed as or received in evidence as an admission, concession or presumption against the Settling Plaintiffs or the Class or any of them that any of their claims are without merit or that damages recoverable under the Complaint would not have exceeded the Gross Settlement Fund.

## MISCELLANEOUS PROVISIONS

34. All of the exhibits attached hereto are hereby incorporated by reference as though fully set forth herein.

35. Each Settling Securities Defendant warrants as to himself, herself or itself that, as to the payments made by or on behalf of him, her or it pursuant to Paragraph 7 hereof, at the time of such payments, he, she or it was not insolvent nor did nor will the payment required to be made by or on behalf of him, her or it render such Settling Securities Defendant insolvent within the meaning of and/or for the purposes of the United States Bankruptcy Code, including Sections 101 and 547 thereof. This warranty is made by each such Settling Securities Defendant and not by such Settling Defendant's counsel.

36. If a case is commenced in respect of any Settling Securities Defendant (or any insurer or reinsurer contributing funds to the Settlement Fund on behalf of any Settling Securities Defendant) under Title 11 of the United States Code (Bankruptcy), or a trustee, receiver or conservator is appointed under any similar law, and in the event of the entry of a final order of a court of competent jurisdiction determining the transfer of money to the Settlement Fund or any portion thereof by or on behalf of such Settling Securities Defendant to be a preference, voidable transfer, fraudulent transfer or similar transaction and any portion thereof is required to be returned, and such amount is not promptly deposited to the Settlement Fund by others, then, at the election of Lead Plaintiffs' Counsel, the parties shall jointly move the Court to vacate and set aside the releases given and Final Order and Judgment entered in favor of the Settling Securities Defendants pursuant to this Stipulation, which releases and Final Order and Judgment shall be null and void, and the parties shall be restored to their respective positions in the litigation as of



May 28, 2003, and any cash amounts in the Settlement Fund shall be returned as provided in Paragraph 32 above.

37. The parties to this Stipulation intend the Settlement to be a final and complete resolution of all disputes that were or could have been asserted by the Releasors against the Released Parties with respect to the Settled Claims. Settling Lead Plaintiffs and the Settling Securities Defendants on behalf of the Releasors and the Released Parties, respectively, agree not to assert in any forum that the litigation was brought by Settling Lead Plaintiffs or defended by the Settling Securities Defendants in bad faith or without a reasonable basis. The parties hereto shall assert no claims of any violation of Rule 11 of the Federal Rules of Civil Procedure relating to the prosecution, defense, or settlement of the Moore Action. The parties agree that the amount paid and the other terms of the Settlement were negotiated at arm's length in good faith by the parties, and reflect a settlement that was reached knowingly and voluntarily and without coercion or duress of any kind, after consultation with experienced legal counsel.

38. This Stipulation and the Exhibits annexed hereto (a) may be amended or modified only by a written instrument signed by or on behalf of all of the signatories hereto or their respective successors-in-interest, and (b) cannot be amended or modified in any respect orally or by the conduct of the parties.

39. The headings herein are used for the purpose of convenience only and are not meant to have legal effect.

40. The administration and consummation of the Settlement as embodied in this Stipulation shall be under the authority of this Court and this Court shall retain exclusive jurisdiction for the purpose of entering orders providing for awards of attorneys' fees and expenses to Plaintiffs' Counsel and enforcing the terms of this Stipulation.

41. The waiver by one party of any breach of this Stipulation by any other party shall not be deemed a waiver of any other prior or subsequent breach of this Stipulation.

42. This Stipulation and its exhibits and the Supplemental Agreement constitute the entire agreement among the parties hereto concerning the Settlement of the Moore Action, and no oral or written representations, warranties, or inducements have been made by any party hereto concerning this Stipulation and its exhibits and the Supplemental Agreement other than those contained and memorialized in such documents. Settling Securities Defendants and Settling Lead Plaintiffs expressly disclaim reliance upon on any oral or written representations, warranties or inducements in deciding to enter into the Stipulation and Settlement, other than the representations, warranties and covenants contained and memorialized in this Stipulation and the Exhibits attached thereto.

43. This Stipulation may be executed in one or more counterparts. All executed counterparts and each of them shall be deemed to be one and the same instrument provided that counsel for the parties to this Stipulation shall exchange among themselves original signed counterparts.

44. This Stipulation shall be binding upon, and inure to the benefit of, the successors and assigns of the parties hereto.

45. The construction, interpretation, operation, effect and validity of this Stipulation, and all documents necessary to effectuate it, shall be governed by and construed in accordance with the internal laws of the State of Texas without regard to any conflicts of law or choice-of-law rule or principle that might otherwise refer construction or interpretation of this Stipulation to the substantive law of another jurisdiction, except to the extent that federal law requires that federal law govern.

46. This Stipulation shall not be construed more strictly against one party than another merely by virtue of the fact that it, or any part of it, may have been prepared by counsel for one of the parties, it being recognized that the Stipulation is the result of arm's-length negotiations between the parties and all parties have contributed substantially and materially to the preparation of this Stipulation.

47. All counsel and any other person executing this Stipulation and any of the exhibits hereto, or any related Settlement documents, warrant and represent that they have the full authority to do so and that they have the authority to take appropriate action required or permitted to be taken pursuant to the Stipulation to effectuate its terms. Settling Lead Plaintiffs and the Settling Securities Defendants warrant and represent that they have not assigned or otherwise alienated any Settled Claim or Settled Defendants' Claim, as the case may be, to any other person or entity in any manner, whether by way of operation of law or otherwise.

48. Lead Plaintiffs' Counsel and Defendants' Counsel agree to cooperate fully with one another in seeking Court approval of the Preliminary Approval Order, the Stipulation and the Settlement, and to promptly agree upon and execute all such other documentation as may be reasonably required to obtain final approval by the Court of the Settlement; and to take such steps and to cooperate with counsel in the Derivative Action as may be reasonably required to obtain final approval of the settlement of the Derivative Action.

49. Any legal suit, action or other proceeding arising from or relating to the Stipulation or the Settlement contemplated thereby shall be instituted solely in the United States District Court for the Northern District of Texas. Each party (a) agrees not to assert any objection that he, she or it may now or hereafter may have to the laying of venue of any such suit, action or proceeding, and (b) agrees to submit to the exclusive personal jurisdiction of the

United States District Court for the Northern District of Texas in any such suit, action or proceeding.

50. Each of the Settling Lead Plaintiffs, and each of the Settling Securities Defendants, through their respective counsel, represents (a) that he, she or it has read this Stipulation, including the releases contained herein, and fully understands its contents, (b) that he, she or it has consulted with counsel prior to and in connection with the execution of this Stipulation and the consummation of the Settlement contemplated thereby, and (c) that he, she or it enters into this Stipulation and Settlement voluntarily and knowingly and without any coercion or duress of any kind.

51. To the extent that there is any inconsistency between the Stipulation and any of the Exhibits annexed hereto, the terms of this Stipulation shall govern.

DATED: \_\_\_\_\_, 2004

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By: \_\_\_\_\_

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