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UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA
SAN JOSE DIVISION

STACY JAMES, WILLIAM HAAG and
MICHAEL SCHRIBER, Individually, On
Behalf of All Others Similarly Situated and
On Behalf of the General Public,

Plaintiffs,

vs.

IGNATIUS A. PIAZZA, FRONT SIGHT
MANAGEMENT INCORPORATED dba
FRONT SIGHT FIREARMS TRAINING
INSTITUTE, MICHAEL MEACHER and
BRAD ACKMAN,

Defendants.

Case No.: C 05-04532 JW

CLASS ACTION

~~PROPOSED~~ ORDER
PRELIMINARILY APPROVING
SETTLEMENT, PROVIDING FOR
NOTICE AND APPOINTMENT OF
CLASS COUNSEL

EXHIBIT A

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WHEREAS, a class action is pending before the Court entitled James, et.al. v. Piazza, et.al., Case No. No. C 05-04532 JW (the “Litigation”);

WHEREAS, the Court has received the First Amended Stipulation of Settlement dated as of December 19, 2006 (the “First Amended Stipulation”), that has been entered into by the Lead Plaintiffs (Stacy James, William Haag and Michael Schriber) and Defendants, and the Court has reviewed the First Amended Stipulation and its attached Exhibits; and

WHEREAS, the parties having made application, pursuant to Federal Rule of Civil Procedure 23(e), for an order preliminarily approving the settlement of this Litigation and appointment of Class Counsel, in accordance with the First Amended Stipulation which, together with the Exhibits annexed thereto sets forth the terms and conditions for a proposed settlement of the Litigation and for dismissal of the Litigation with prejudice upon the terms and conditions set forth therein; and the Court having read and considered the First Amended Stipulation and the Exhibits annexed thereto; and

WHEREAS, all defined terms contained herein shall have the same meanings as set forth in the First Amended Stipulation;

NOW, THEREFORE, IT IS HEREBY ORDERED:

1. The Court does hereby preliminarily approve the First Amended Stipulation and the settlement set forth therein, subject to further consideration at the Settlement Hearing described below.
2. The Court appoints the Law Offices of Greer & Associates, A.P.C. as Class Counsel.
3. A hearing (the “Settlement Hearing”) shall be held before this Court

1 on ~~January 11~~ ^{Feb. 26} 2007, at 9:00 a.m., at the United States District Court, Northern District of
 2 California, San Jose Division, 280 South First Street, Courtroom 8 (Fourth Floor), San
 3 Jose, California, 95113, to determine whether the proposed settlement of the Litigation on
 4 the terms and conditions provided for in the First Amended Stipulation is fair, reasonable
 5 and adequate to the Settlement Class and should be approved by the Court; whether a
 6 Judgment as provided in ¶1.11 of the First Amended Stipulation should be entered herein;
 7 whether the proposed Plan of Allocation should be approved; to determine the amount of
 8 fees and expenses that should be awarded to Class Counsel; and to determine whether
 9 Incentive Bonuses should be awarded to Lead Plaintiffs. The Court may adjourn the
 10 Settlement Hearing without further notice to Members of the Settlement Class.

11 4. Pursuant to Rule 23 of the Federal Rules of Civil Procedure, the Court
 12 preliminarily certifies, for purposes of effectuating this settlement, a Settlement Class of
 13 all Persons who purchased or acquired lifetime memberships from Front Sight
 14 Management Incorporated dba Front Sight Firearms Training Institute (“Front Sight”)
 15 during the period between January 1, 1997 and September 28, 2006, inclusive. Excluded
 16 from the Settlement Class are Defendants, each of a Defendant’s past or present directors,
 17 officers, employees, partners, accountants, public relations firms, parents, subsidiaries,
 18 affiliates, divisions, executors, insurers, co-insurers, reinsurers, attorneys, personal or legal
 19 representatives, joint venturers, assigns, spouses, heirs, associates, estates, any entity in
 20 which a Defendant has a controlling interest, any member of their immediate families, or
 21 any trust of which any Individual Defendant is the settlor or which is for the benefit of any
 22 Individual Defendant and/or member(s) of his family (collectively “Related Parties”). Also
 23 excluded from the Settlement Class are those Persons who timely and validly request
 24 exclusion from the Settlement Class pursuant to the Notice of Pendency and Proposed
 25 Settlement of Class Action. Lead Plaintiffs are not Related Parties. The certification of
 26 the Settlement Class shall be binding only with respect to the settlement of the Litigation.

27 [PROPOSED] ORDER PRELIMINARILY APPROVING SETTLEMENT, James v. Piazza. Case No. CV 05-04532 JW

1 5. With respect to the Settlement Class, this Court preliminarily finds for
2 purposes of effectuating this settlement that (a) the Members of the Settlement Class are
3 so numerous that joinder of all Settlement Class Members in the Litigation is
4 impracticable; (b) there are questions of law and fact common to the Settlement Class
5 which predominate over any individual questions; (c) the claims of the Lead Plaintiffs are
6 typical of the claims of the Settlement Class; (d) the Lead Plaintiffs and Class Counsel
7 have fairly and adequately represented and protected the interests of all of the Settlement
8 Class Members; and (e) a class action is superior to other available methods for the fair
9 and efficient adjudication of the controversy, considering: (i) the interests of the Members
10 of the Settlement Class in individually controlling the prosecution of the separate actions;
11 (ii) the extent and nature of any litigation concerning the controversy already commenced
12 by Members of the Settlement Class; (iii) the desirability or undesirability of continuing
13 the litigation of these claims in this particular forum; and (iv) the difficulties likely to be
14 encountered in the management of the Litigation.

15 6. The Court approves, as to form and content, the Notice of Pendency and
16 Proposed Settlement of Class Action (the "Notice"), the Proof of Claim and Release form
17 (the "Proof of Claim"), and Summary Notice for publication annexed as Exhibits A-1, A-2
18 and A-3 hereto, and finds that the mailing and distribution of the Notice and publishing of
19 the Summary Notice substantially in the manner and form set forth in ¶¶6-7 of this Order
20 meet the requirements of Federal Rule of Civil Procedure 23 and due process, and is the
21 best notice practicable under the circumstances and shall constitute due and sufficient
22 notice to all Persons entitled thereto.

23 7. Pursuant to Rule 53(c) of the Federal Rules of Civil Procedure, the Court
24 appoints the firm of Gilardi & Co. LLC, 3301 Kerner Boulevard, San Rafael, California
25 94901, Tel.: (415) 461-0410 ("Escrow Agent/Claims Administrator") to supervise and
26 administer the notice procedure as well as the processing of claims as more fully set forth

27 **[PROPOSED] ORDER PRELIMINARILY APPROVING SETTLEMENT, *James v. Piazza*. Case No. CV 05-04532 JW**

1 below:

2 (a) Not later than January 5, 200~~8~~⁷ (the "Notice Date"), Class
3 Counsel shall cause a copy of the Notice and the Proof of Claim, substantially in the forms
4 annexed as Exhibits A1 and A-2, to be mailed by first class mail to all Settlement Class
5 Members who can be identified with reasonable effort;

6 (b) Not later than January 19, 200~~8~~⁷, Class Counsel shall cause the
7 Summary Notice to be published once in a national publication circulated among gun
8 owners and persons interested in firearms related issues; and

9 (c) At least seven (7) calendar days prior to the Settlement Hearing,
10 Class Counsel shall cause to be served on Defendants' counsel and filed with the Court
11 proof, by affidavit or declaration, of such mailing and publishing.

12 8. Defendants shall provide to Class Counsel and the Escrow Agent/Claims
13 Administrator such documentation as is reasonably necessary to confirm that Defendants
14 are in compliance with Front Sight's financial and other obligations under the First
15 Amended Stipulation to:

16 (a) pay twenty percent (20%) of Front Sight's gross monthly
17 revenues to the Settlement Fund;

18 (b) pay twenty-percent (20%) of Front Sight's gross revenues
19 from new memberships and membership upgrades to the Maintenance Reserve and
20 Capital Improvement Fund;

21 (c) only use the Maintenance Reserve and Capital Improvement
22 Fund for the purposes of maintenance, repair and construction of capital improvements to
23 Front Sight's then existing facility; and

24 (d) not encumber, sell or transfer Front Sight's assets except as
25 authorized by the Court.

26 Such verifying documents shall at a minimum include Front Sight's monthly bank

27 [PROPOSED] ORDER PRELIMINARILY APPROVING SETTLEMENT, James v. Piazza, Case No. CV 05-04532 JW

1 account statements and documentation identifying the purposes for which Maintenance
2 Reserve and Capital Improvement Funds were used as well as identifying all new
3 memberships and membership upgrades and such other documentation as the Escrow
4 Agent/Claims Administrator deems reasonable necessary in order to properly meet its
5 obligations to the Court.

6 Escrow Agent/Claims Administrator shall apprise the Court, Class Counsel and
7 Defendants' Counsel of the status and activity of matters identified in ¶¶8 (a) through (d)
8 above via bimonthly reports commencing sixty days after the date of this Order.

9 9. All Members of the Settlement Class shall be bound by all determinations
10 and judgments in the Litigation concerning the settlement, whether favorable or
11 unfavorable to the Settlement Class.

12 10. Settlement Class Members who wish to participate in the settlement shall
13 complete and submit Proof of Claim forms in accordance with the instructions contained
14 therein. Unless the Court orders otherwise, all Proof of Claim forms must be submitted no
15 later than ninety (90) days from the Notice Date. Any Settlement Class Member who does
16 not timely submit a Proof of Claim within the time provided for shall be barred from
17 sharing in the distribution of the proceeds of the Net Settlement Fund, unless otherwise
18 ordered by the Court.

19 11. Any Person who desires to request exclusion from the Settlement Class shall
20 do so within the time set forth and in the manner described in the Notice. All Persons who
21 submit valid and timely Requests for Exclusion in the manner set forth in the Notice shall
22 have no rights under the First Amended Stipulation, shall not share in the distribution of
23 the Net Settlement Fund, and shall not be bound by the First Amended Stipulation or the
24 Judgment entered in the Litigation.

25 12. Any Member of the Settlement Class may enter an appearance in the
26 Litigation, at their own expense, individually or through counsel of their own choice. If

27 **[PROPOSED] ORDER PRELIMINARILY APPROVING SETTLEMENT, *James v. Piazza*. Case No. CV 05-04532 JW**

1 they do not enter an appearance, they will be represented by Class Counsel.

2 13. Any Member of the Settlement Class may appear and show cause, if he, she
3 or it has any reason, why the proposed settlement of the Litigation should or should not be
4 approved as fair, reasonable and adequate, why a judgment should or should not be
5 entered thereon, why the Plan of Allocation should or should not be approved, why
6 attorneys' fees and expenses should or should not be awarded to Class Counsel, or why
7 Incentive Bonuses for Lead Plaintiffs should not be awarded; provided, however, that no
8 Settlement Class Member or any other Person shall be heard or entitled to contest the
9 approval of the terms and conditions of the proposed settlement, or, if approved, the
10 Judgment to be entered thereon approving the same, or the order approving the Plan of
11 Allocation, or the attorneys' fees and expenses to be awarded to Class Counsel, or the
12 Incentive Bonuses for Lead Plaintiffs, unless that Person has delivered by hand or sent by
13 first class mail written objections and copies of any papers and briefs such that they are
14 received on or before February 16, 2007, by Law Offices of Greer & Associates,
15 A.P.C., C. Keith Greer, Esq., 16787 Bernardo Center Drive, Suite 14, San Diego,
16 California 92128, and filed said objections, papers and briefs with the Clerk of The United
17 States District Court for the Northern District of California, San Jose Division, on or
18 before February 16 2007. Any Member of the Settlement Class who does not make his,
19 her or its objection in the manner provided shall be deemed to have waived such objection
20 and shall forever be foreclosed from making any objection to the fairness or adequacy of
21 the proposed settlement as set forth in the First Amended Stipulation, to the Plan of
22 Allocation, to the award of attorneys' fees and expenses to Class Counsel or to the award
23 of Incentive Bonuses to Lead Plaintiffs, unless otherwise ordered by the Court.

24 14. All funds held by the Escrow Agent shall be deemed and considered to be *in*
25 *custodia legis* of the Court, and shall remain subject to the jurisdiction of the Court, until
26 such time as such funds shall be distributed pursuant further order(s) of the Court.

27 [PROPOSED] ORDER PRELIMINARILY APPROVING SETTLEMENT, James v. Piazza. Case No. CV 05-04532 JW

1 15. All papers in support of the settlement and the Plan of Allocation, the
2 application and supporting papers for Class Counsel's request for attorneys' fees and
3 reimbursement of expenses and application and supporting papers for Incentive Bonuses
4 to Lead Plaintiffs shall be filed and served seven (7) calendar days before the Settlement
5 Hearing. Said papers shall also be published and available for viewing on the web site
6 established by Class Counsel entitled "www.frontsightlitigation.com," as stated in the
7 Notice to prospective class members.

8 16. At or after the Settlement Hearing, the Court shall determine whether the
9 Plan of Allocation proposed by Class Counsel, application for attorneys' fees and
10 reimbursement of expenses by Class Counsel, and application for Incentive Bonuses by
11 Lead Plaintiffs shall be approved.

12 17. All reasonable expenses incurred in identifying and notifying Settlement
13 Class Members, as well as administering the Settlement Fund, shall be paid by Front Sight
14 as set forth in the First Amended Stipulation. In the event the settlement is not approved
15 by the Court, or otherwise fails to become effective, neither the Lead Plaintiffs nor Class
16 Counsel shall have any obligation to repay any amounts actually and properly disbursed by
17 the Escrow Agent/Claims Administrator.

18 18. Neither the First Amended Stipulation, nor any of its terms or provisions,
19 nor any of the negotiations or proceedings connected with it, shall be construed as an
20 admission or concession by Defendants or their Related Parties of the truth of any of the
21 allegations in the Litigation, or of any liability, fault, or wrongdoing of any kind.

22 19. The Court reserves the right to adjourn the date of the Settlement Hearing
23 without further notice to the Members of the Settlement Class, and retains jurisdiction to
24 consider all further applications arising out of or connected with the proposed settlement.
25 The Court may approve the settlement, with such modifications as may be agreed to by the
26 Settling Parties, if appropriate, without further notice to the Settlement Class.

27 **[PROPOSED] ORDER PRELIMINARILY APPROVING SETTLEMENT, *James v. Piazza*. Case No. CV 05-04532 JW**

1 20. Defendants are prohibited from selling, transferring or encumbering the
2 Nevada Real Property pending further Order of the Court. The Court finds that a partial
3 judgment and lien upon Front Sight's assets in favor of the Settlement Class is appropriate
4 and concurrently herewith enters partial judgment as set forth in the Stipulation for Entry
5 of Partial Judgment and Judgment Lien upon Real Property/Assets and Partial Judgment
6 Thereon.

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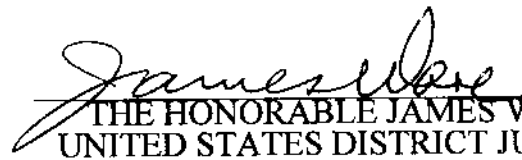
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18 21. All documents previously filed under seal regarding the proposed settlement
19 are to be unsealed and made available to the public.

20 DATED: December 21, 2006


THE HONORABLE JAMES WARE
UNITED STATES DISTRICT JUDGE

22

23

24 Submitted by:

25 C. Keith Greer, Esq., State Bar No.: 135537
26 Steven J. Roberts, Esq., State Bar No.: 128829
LAW OFFICES OF GREER & ASSOCIATES, A.P.C.
16787 Bernardo Center Drive, Suite 14

27 [PROPOSED] ORDER PRELIMINARILY APPROVING SETTLEMENT, James v. Piazza. Case No. CV 05-04532 JW

1 San Diego, California 92128
2 Telephone: (858) 613-6677
3 Fax: (858) 613-6680
4 greerkeith@aol.com
5 steve.roberts@greerlaw.biz

6 By: _____
7 C. Keith Greer, Esq.
8 Steven J. Roberts, Esq.
9 Attorneys for Plaintiffs
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