

**IN THE UNITED STATES DISTRICT COURT  
FOR THE NORTHERN DISTRICT OF ILLINOIS  
EASTERN DIVISION**

	x	
	)	
MAKOR ISSUES & RIGHTS, LTD., <i>et al.</i> ,	)	
	)	
Plaintiffs,	)	Case No. 02-C-4356
	)	
vs.	)	Honorable Amy J. St. Eve
	)	
TELLABS, INCORPORATED, MICHAEL J.	)	
BIRCK, RICHARD C. NOTEBAERT, <i>et al.</i> ,	)	
	)	
Defendants.	)	
	)	
	x	

**ORDER AND FINAL JUDGMENT**

On the 26th day of July, 2011, a hearing having been held before this Court to determine: whether the terms and conditions of the Stipulation and Agreement of Settlement dated April 1, 2011 (the “Stipulation”) are fair, reasonable, and adequate for the settlement of all claims asserted by the Class against the Defendants in the Complaint now pending in this Court under the above caption, including the release of the Defendants and the Released Parties, and should be approved; whether judgment should be entered dismissing the Complaint on the merits and with prejudice in favor of the Defendants and as against all persons or entities who are members of the Class herein who have not requested exclusion therefrom; whether to approve the Plan of Allocation as a fair and reasonable method to allocate the settlement proceeds among the members of the Class; and whether and in what amount to award Plaintiffs’ Counsel fees and reimbursement of expenses. The Court having considered all matters submitted to it at the hearing and otherwise;

NOW, THEREFORE, THE COURT HEREBY FINDS AND ORDERS AS FOLLOWS:

1. The Court has jurisdiction over the subject matter of the Action, the Lead Plaintiff and Class Representatives, all Class Members, and the Defendants. All capitalized terms used in this Order and Final Judgment have the meanings as set forth and defined in the Stipulation.

2. This Action has previously been certified by the Court as a class action, pursuant to Fed.R.Civ.P. Rule 23(b)(3). The Class consists of all persons who purchased the common stock of Tellabs, Inc. during the period from December 11, 2000 through June 19, 2001, inclusive (the "Class"). Excluded from the Class are: Defendants; the subsidiaries and affiliates of Tellabs; the officers and directors of Tellabs or its subsidiaries and affiliates, at all relevant times; members of the immediate family of any excluded person; the legal representatives, heirs, successors, and assigns of any excluded person; and any entity in which any excluded person has or had a controlling interest. Also excluded from the Class are the persons and/or entities who requested exclusion from the Class as reported on Exhibit D to the in the July 28, 2010 Affidavit of Richard W. Simmons Re: (A) Mailing of Notice of Pendency, and (B) Report on Exclusion Requests Received (Docket No. 375).

3. This Court has previously appointed Lead Plaintiff Makor Issues & Rights, Ltd., and Plaintiffs Nolan Howell and Richard LeBrun, as Class Representatives.

4. Notice of the Pendency of this Action as a class action was previously given to all Class Members who could be identified with reasonable effort. Class members were given an opportunity to request exclusion until May 10, 2010. The form and method of notifying the Class of the pendency of the action as a class action met the requirements of Rule 23 of the Federal Rules of Civil Procedure, Section 21D(a)(7) of the Securities Exchange Act of 1934, 15 U.S.C. § 78u-4(a)(7) as amended by the Private Securities Litigation Reform Act of 1995, due process, and any other applicable law, constituted the best notice practicable under the

circumstances, and constituted due and sufficient notice to all persons and entities entitled thereto.

5. By Order dated April 11, 2011, a form of Notice of Proposed Settlement of Class Action, Motion for Attorneys' Fees and Settlement Fairness Hearing ("Notice") was previously approved by the Court, as was a Proof of Claim form and a form of Publication Notice. Plaintiffs' Lead Counsel has filed with the Court proof of mailing of the Notice and Proof of Claim and proof of publication of the Publication Notice. Based on those submissions, the Court finds that the Notice substantially in the form approved by the Court was mailed to all persons or entities reasonably identifiable, who purchased the common stock of Tellabs, Inc. ("Tellabs") during the period from December 11, 2000 through June 19, 2001, inclusive (the "Class Period"), except those persons or entities excluded from the definition of the Class, and that a summary notice of the hearing substantially in the form approved by the Court was published in the national edition of *The Wall Street Journal* and transmitted over *Business Wire* in accordance with this Court's orders. The Court finds that the form and method of notifying the Class of the proposed Settlement met the requirements of Rule 23 of the Federal Rules of Civil Procedure, Section 21D(a)(7) of the Securities Exchange Act of 1934, 15 U.S.C. § 78u-4(a)(7) as amended by the Private Securities Litigation Reform Act of 1995, due process, and any other applicable law, constituted the best notice practicable under the circumstances, and constituted due and sufficient notice to all persons and entities entitled thereto.

6. The Court finds that the Settlement is fair, reasonable, and adequate with respect to the Class and the Class Members, and that the Class Representatives and their counsel have fairly and adequately represented all of the Class Members with respect to the Settlement. The Court therefore approves the Settlement, pursuant to Fed.R.Civ.P. Rule 23(g). The Parties and

the Class are directed to consummate the Settlement in accordance with the terms and provisions of the Stipulation.

7. The Second Consolidated Amended Class Action Complaint dated July 11, 2003 (the "Complaint"), together with all claims therein, is hereby dismissed without prejudice and without costs. This dismissal without prejudice shall not allow the parties or any members of the Class to litigate or otherwise reopen issues resolved by this judgment, or included within the Released Claims, but is "without prejudice" so as to allow the Court to supervise the implementation and administration of the Settlement, including with respect to matters addressed in paragraphs 15 through 20 below. On June 15, 2012, this dismissal will be converted to a dismissal with prejudice. The Court retains ancillary jurisdiction with respect to the allocation and distribution of the Settlement Fund to the Class Members.

8. In accordance with the Stipulation, upon the Effective Date Plaintiffs and all the other members of the Class on behalf of themselves, their personal representatives, heirs, executors, administrators, trustees, predecessors, successors and assigns, shall, with respect to each and every Released Claim, be deemed to have, and by operation of this Order and Final Judgment shall have, fully, finally and forever released, relinquished and discharged any Released Claim against any of the Released Parties. Plaintiffs and all the other members of the Class, together with their heirs, executors, administrators, trustees, predecessors, successors and assigns, are hereby permanently barred and enjoined from instituting, commencing or prosecuting against Defendants and all other Released Parties any and all claims, debts, demands, rights or causes of action or liabilities whatsoever (including, but not limited to, any claims for compensatory, punitive, or statutory damages, interest, attorneys' fees, and any other costs, expenses or liability whatsoever), whether known or unknown (including Unknown

Claims as defined herein), whether based on federal, state, local, statutory or common law or any other law, rule or regulation, whether legal, equitable, statutory or of any other type or form, whether brought in an individual, representative, class, derivative or any other capacity, whether fixed or contingent, liquidated or un-liquidated, that in any way relate to or arise out of or are in connection with the purchase or sale of any common stock of Tellabs during the Class Period, including, but not limited to, any event, act, failure to act, conduct, transaction, occurrence, statement, representation, disclosure, nondisclosure or omission occurring during the Class Period which was alleged, asserted or referred to in any of the complaints, other pleadings or other legal filings in the Action, or which could have been alleged or asserted in the Action in connection with the purchase or sale of any common stock of Tellabs during the Class Period (all of the foregoing constituting the “Released Claims”). The Released Parties consist of the Defendants and other persons that were previously named as a defendant in the Action, their respective past, or present subsidiaries, parents, affiliates, successors and predecessors, and each and all of their respective officers, directors, agents, employees, attorneys, advisors, investment advisors, auditors, accountants, insurers, legal representatives, heirs, successors in interest or assigns (the “Released Parties”).

9. In accordance with the Stipulation, upon the Effective Date each of the Defendants and all persons previously named as a defendant in the Action, on behalf of themselves, their personal representatives, heirs, executors, administrators, trustees, predecessors, successors and assigns, shall, with respect to each and every Settled Defendants’ Claims, be deemed to have, and by operation of this Order and Final Judgment shall have, fully, finally and forever released, relinquished and discharged any Settled Defendants’ Claim against Plaintiffs, all other Class Members and their counsel. The Defendants and all other persons

previously named as a defendant in the Action, together with their heirs, executors, administrators, trustees, predecessors, successors and assigns, are hereby permanently barred and enjoined from instituting, commencing or prosecuting any and all claims, rights or causes of action or liabilities whatsoever, whether based on federal, state, local, statutory or common law or any other law, rule or regulation, including both known claims and Unknown Claims, that have been or could have been asserted in this Action or any forum by the Defendants or by the other persons that were previously named as a defendant in the Action, or any of them or the successors and assigns of any of them against any of the Plaintiffs, other Class Members or their attorneys, which arise out of or relate in any way to the institution, prosecution, or settlement of the Action (except for claims to enforce the Settlement) (all of the forgoing constituting the “Settled Defendants’ Claims”).

10. For purposes of this Order and Final Judgment, including paragraphs 8 and 9 hereof, and in accordance with the Stipulation, “Unknown Claims” means any and all Released Claims against any Released Parties that any Plaintiff or Class Member does not know or suspect to exist in his, her or its favor as of the Effective Date, and any and all Settled Defendants’ Claims that any Defendant does not know or suspect to exist in his, her or its favor as of the Effective Date, which if known by him, her or it might have affected his, her or its decision(s) with respect to the Settlement. With respect to any and all Released Claims and Settled Defendants’ Claims, upon the Effective Date, the Plaintiffs and the Defendants have expressly waived, and each Class Member shall be deemed to have waived, and by operation of the Judgment shall have expressly 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 otherwise, which is similar, comparable, or equivalent to California Civil Code § 1542, which provides: “A

general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor.” Plaintiffs, each Class Member and Defendants have respectively acknowledged that each may hereafter discover facts in addition to or different from those that he, she, it or they now know or believe to exist or to be true with respect to the subject matter of the Released Claims or Settled Defendants’ Claims, but the Plaintiffs, Class Members and Defendants shall each, upon the occurrence of the Effective Date and by operation of the Order and Final Judgment, be deemed to have fully, finally, and forever settled and released any and all Released Claims and Settled Defendants’ Claims, including Unknown Claims. Plaintiffs and Defendants have acknowledged, and all other Class Members by operation of law shall be deemed to have acknowledged, that the inclusion of “Unknown Claims” in the definition of Released Claims and Settled Defendants’ Claims was separately bargained for and was a key element of the Settlement.

11. Neither this Order and Final Judgment, the Stipulation, nor any of its terms and provisions, nor any of the negotiations or proceedings connected with it, nor any of the documents or statements referred to therein shall be:

(1) construed as an admission, presumption or concession by any of the Defendants or other Released Parties of, or otherwise be permitted as or deemed to be evidence of, any fault, wrongdoing, or liability whatsoever by any of them or of the truth of any fact alleged by any of the Plaintiffs or the validity of any claim that has been or could have been asserted in the Action;

(2) offered or received against any of the Defendants or other Released Parties in evidence in any civil, criminal, administrative, or other proceeding, or utilized in any

manner whatsoever, including but not limited to as evidence of an admission, presumption or concession by any of the Defendants or other Released Parties or as evidence of any fault, wrongdoing, or liability whatsoever by any of them; provided, however, the Released Parties may refer to these proceedings and documents to effectuate the liability protection, including releases and injunctions, granted them hereunder;

(3) construed as or received in evidence as an admission, concession or presumption against Plaintiffs or any of the other Class Members that any of their claims are without merit; and

(4) nothing contained herein shall prevent this Order and Final Judgment or the Stipulation (or any agreement or order relating thereto) from being used, offered, or received in evidence in any proceeding to approve, enforce, or otherwise effectuate the Stipulation and the Settlement, or any orders entered by the Court relating thereto (including but not limited to the Order and Final Judgment), including but not limited to the Defendants or other Released Persons filing the Stipulation and/or the Order and Final Judgment in any other action that may be brought against any of them in order to support a defense or counterclaim based on principles of res judicata, collateral estoppel, release or any other theory of claim preclusion or issue preclusion.

12. The Plan of Allocation is approved as fair and reasonable, and Plaintiffs' Counsel and the Claims Administrator are directed to administer the Stipulation in accordance with its terms and provisions.

13. Plaintiffs' Counsel are hereby awarded \$2,950,000.00 as and for both their attorneys' fees and reimbursement of their litigation expenses, which sum the Court finds to be fair and reasonable, and which amount shall be paid to Plaintiffs' Lead Counsel from the

Settlement Fund with interest from the date such Settlement Fund was funded to the date of payment at the same net rate that the Settlement Fund earns. Payment of such fees and expenses prior to the Effective Date shall be subject to the requirements of the Stipulation and in particular paragraph 15 thereof.

14. Neither Defendants, the Released Parties nor their respective counsel shall have any responsibility for or liability whatsoever with respect to: (i) any act, omission or determination of Plaintiffs' Lead Counsel, the Escrow Agent or the Claims Administrator, or any of their respective designees or agents, in connection with the administration of the Settlement or otherwise; (ii) the management, investment or distribution of the Settlement Fund; (iii) the determination, administration, calculation or payment of any claims asserted against the Settlement Fund; (iv) any losses suffered by, or fluctuations in the value of, the Settlement Fund; or (v) the payment or withholding of any taxes, expenses and/or costs incurred in connection with the taxation of the Settlement Fund or the filing of any returns.

15. Ancillary jurisdiction is hereby retained over the Parties and the Class Members for all matters relating to and including the administration, interpretation, effectuation or enforcement of the Stipulation and this Order and Final Judgment, and including any application for fees and expenses incurred in connection with administering and distributing the settlement proceeds to the members of the Class. All funds held by the Escrow Agent or its successor shall continue to 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 the Stipulation and/or further order of the Court.

16. All proceedings with respect to the administration, processing and determination of Proof of Claims described in the Stipulation and this Court's orders, and the determination of

all controversies relating thereto, including disputed questions of law and fact with respect to the validity of Proof of Claims, shall be subject to the jurisdiction of the Court.

17. Plaintiffs' Counsel will apply to the Court, on notice to 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 Claims submitted herein, and approving any costs 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

18. Proofs of Claim that do not meet the substantive submission requirements of the Stipulation and this Court's orders may be rejected by the Claims Administrator. Prior to rejection of a Proof of Claim, the Claims Administrator shall communicate with the claimant in order to attempt to remedy potentially curable deficiencies in the Proof of Claim submitted. The Claims Administrator shall notify, in a timely fashion and in writing, each claimant whose Proof of Claim it proposes 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 paragraph 19 below.

19. 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 paragraph 18 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 Plaintiffs' Lead Counsel. If a dispute concerning a claim cannot be otherwise resolved, Plaintiffs' Lead Counsel shall thereafter present the request for review to the Court on notice to the claimant.

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

21. Payment pursuant to the Settlement shall be deemed final and conclusive against all Class Members. All Class Members whose claims are not approved by the Court shall be barred from participating in distributions from the Net Settlement Fund, but otherwise shall be bound by all of the terms of the Settlement and Stipulation and this Order and Final Judgment, including the releases provided for herein, and are barred from bringing any action against the Released Parties concerning the Released Claims.

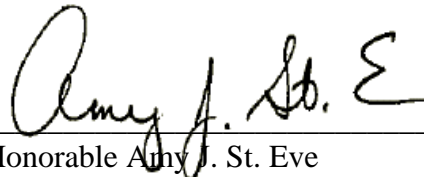
22. The Net Settlement Fund shall be released from the Escrow Account and provided to the Claims Administrator for distribution to the Authorized Claimants, in accordance with the Court's orders, only after each and all of the following have occurred: (i) the Class Distribution Order has been entered; (ii) the Effective Date has occurred; (iii) all timely Claims have been processed, and all claimants whose Claims 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; (iv) 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, or a reserve has been made to cover the potential payment to such claimants; (v) 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, or a reserve has been made to cover the potential payment with respect to such attorneys' fees, costs, and disbursements; and (vi) all Notice and Administration Costs and Tax Expenses have been paid or provided for.

23. Without further order of the Court, the parties may agree to reasonable extensions of time to carry out any of the provisions of the Stipulation.

24. There is no just reason for delay in the entry of this Order and Final Judgment and immediate entry by the Clerk of the Court is expressly directed pursuant to Rule 54 (b) of the Federal Rules of Civil Procedure.

Dated: Chicago, Illinois

July 26, 2011

A handwritten signature in black ink, appearing to read "Amy J. St. Eve", is written over a horizontal line.

Honorable Amy J. St. Eve  
UNITED STATES DISTRICT JUDGE