

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF FLORIDA  
MIAMI DIVISION

Case No. 1:14-CV-24137-JLK

TELESTRATA, LLC, a Colorado limited  
liability company, individually and derivatively  
on behalf of the shareholders of NetTALK.com,  
Inc., a Florida corporation,

Plaintiff,

v.

NETTALK.COM, INC., a Florida corporation,  
ANASTASIOS "TAKIS" KYRIAKIDES,  
STEVEN HEALY,  
ANASTASIOS "NICK" KYRIAKIDES II,  
KENNETH HOSFELD,  
GARRY PAXINOS,  
KYRIAKIDES INVESTMENTS, LTD., a  
Florida limited partnership,  
SHADRON STASTNEY, and  
ANGELA ILISIE,

Defendants.

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ORDER GRANTING  
STIPULATED JOINT MOTION TO APPROVE SETTLEMENT AGREEMENT  
PURSUANT TO *FED. R. CIV. P. 23.1(c)*

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THE COURT, having received and reviewed the Stipulated Joint Motion ("Motion") of the parties to Approve the Settlement Agreement dated June 29, 2017 ("Settlement Agreement") pursuant to *Fed. R. Civ. P. 23.1(c)*, and having reviewed the file and being otherwise advised in the premises, hereby **ORDERS**:

1. The Court does hereby preliminarily approve the Settlement Agreement set forth as Exhibit A to the Motion, including the terms and conditions for settlement of the

Litigation (as defined in the Motion), subject to further consideration at the Settlement Hearing described below.

2. A hearing (the “Final Settlement Hearing”) shall be held before this Court on December 18, 2017 at 10:00 A.M. in Courtroom 2 of the James Lawrence King Federal Justice Building and United States Courthouse, 99 N.E. Fourth Street, Room 1127, Miami, Florida, 33132, to determine (i) whether the settlement of the Litigation on the terms and conditions provided for in the Settlement Agreement is fair, reasonable, and adequate to NetTalk.com, Inc.’s (the “Company”) shareholders and to the Company, and should be approved by the Court; (ii) whether the Litigation should be dismissed with prejudice, as provided in paragraph 3.4 of the Settlement Agreement; and (iii) such other matters as may be necessary or proper under the circumstances.
3. The Court approves, as to form and content, the Notice of Proposed Settlement (“Notice”) attached hereto as Exhibit A, and finds that the mailing and publication of these notices, substantially in the manner and form set forth in this Order, meet the requirements of Federal Rule of Civil Procedure 23.1 and due process, constitutes the best notice practicable under the circumstances, and shall constitute due and sufficient notice to all persons entitled thereto.
4. The Court approves Defendant, the Company, to supervise and administer the following notice procedure:
  - a. Not later than November 20, 2017, the Company shall mail the Notice to all of its shareholders as of June 29, 2017, for which it has sufficient contact information, by United States mail, first class, postage prepaid, to their last known mailing address as listed on the books and records of the Company, or if known and if the shareholder

- has previously consented to delivery of notices by electronic mail, by sending a copy of the Notice to their email address of record;
- b. Not later than November 17, 2017, the Company shall post a copy of the Notice on its website in the “Investor Relations” section of the Company’s website.
  - c. Commensurate with posting a copy of the Notice on its website, the Company shall also post a copy of the Settlement Agreement, along with a copy of this Order, in the same location on its website.
  - d. Commensurate with the mailing and posting set forth above, the Company shall issue the Notice as a press release.
  - e. Not later than seven days before the Settlement Hearing, counsel for the Company shall file a certification with the Court of proof, by affidavit or declaration, of such mailing and publishing.
5. The Notice shall be provided at the Company’s expense.
  6. All shareholders of the Company shall be bound by all orders, determinations and judgment in the Litigation concerning the Settlement Agreement, whether they view it as favorable or unfavorable.
  7. Pending final determination of whether the Settlement Agreement should be approved, no shareholder of the Company, either directly, representatively, or in any other capacity, shall commence or prosecute against any of the Released Persons (as defined in the Settlement Agreement), any action or proceeding in any court or tribunal asserting any of the Released Claims (as defined in the Settlement Agreement).
  8. Any papers in support of the Settlement Agreement shall be filed with the Court and served on or before December 4, 2017.

9. Any shareholder of the Company may appear and show cause, if he, she, or it, has any reason why the Settlement Agreement should not be approved as fair, reasonable, and adequate, or why a judgment should not be entered thereon. Any objection must in writing, and may contain a request to be heard at the Settlement Hearing. If a shareholder chooses to object, then he, she, or it must make detailed objections in writing which contain the following information:

- a. Shareholder's name, legal address, and telephone number;
- b. The case name and number (*Telestrata, LLC v. NetTalk.com, Inc., et al.*, Case No: 1:14-CV-24137-JLK);
- c. Proof of being a shareholder of the Company as of the date of this Notice;
- d. The date(s) the shareholder acquired shares of the Company;
- e. A statement of each objection being made;
- f. Notice of whether the shareholder intends to appear at the Settlement Hearing, although the shareholder is not required to appear; and
- g. Copies of any papers the shareholder intends to submit to the Court, along with the names of any witness(es) the shareholder intends to call to testify at the Settlement Hearing and the anticipated subject(s) of the witness's testimony.

No shareholder of the Company shall be heard or entitled to contest the approval of the terms and conditions of the Settlement Agreement, or if approved, the judgment to be entered thereon approving the same, unless that person has, on or before December 11, 2017, filed with the Clerk of the Court and served on the following counsel (delivered by hand or sent by first class mail) written objections and copies of any papers and briefs in support thereof:

R. Livingston Keithley, Esq., *pro hac vice*  
The Overton Law Firm  
165 S. Union Boulevard, Suite 542  
Lakewood, Colorado 80228

Robert Stein, Esq.  
Jeffrey Tew, Esq.  
Rennert, Vogel, Mandler & Rodriguez, PA  
1000 S.E. Second Street, Suite 2900  
Miami, FL 33131

and

Matthew C. Martin, Esq.  
Gaebe, Mullen, Antonelli & DiMatteo

*Attorneys for Defendants NetTalk.com, Inc.,  
Anastasios "Takis" Kyriakides, Steven Healy,  
Anastasios "Nick" Kyriakides II, Kenneth*

420 South Dixie Highway, Third Floor  
Coral Gables, FL 33146

*Hosfeld, Garry Paxinos, Kyriakides  
Investments Ltd., Shadron Stastney, and  
Angela Ilisie*

*Attorneys for Plaintiff Telestrata LLC,  
and Counterclaim Defendants Samer  
Bishay, Maged Bishara, and Nadir  
AlJazrawi*

10. The written objections and copies of any papers and briefs in support thereof to be filed

in Court shall be delivered by hand or sent by first class mail to:

Clerk of the Court  
United States District Court for the Southern District of Florida  
400 North Miami Avenue, 8th Floor South  
Miami, Florida 33128

11. Any shareholder of the Company who does not make his, her, or its, objection in the manner provided herein shall be deemed to have waived such objection and shall forever be foreclosed from making any objection to the fairness, reasonableness, or adequacy of the Settlement Agreement, and shall be otherwise bound by the judgment to be entered, the dismissal of the Litigation, and the releases to be given.

12. Any replies to any objections may be filed by the parties, and such replies shall be filed on or before December 15, 2017 and served on any parties and upon the person originally filing the objection to which the parties are replying.

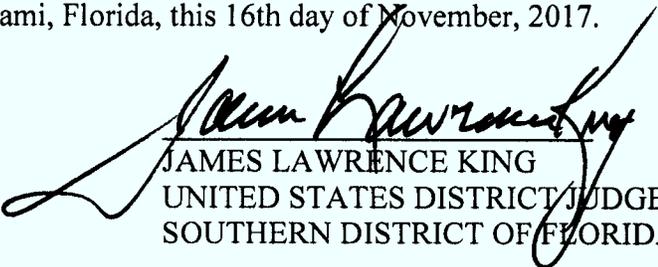
13. Neither the Settlement Agreement, nor any of its exhibits, terms or provisions, nor any of the negotiations or proceedings connected with it, shall be deemed, used, or construed as an admission or concession by the Plaintiff, Defendants, or Counterclaim Defendants (each as defined in the Settlement Agreement), or as evidence of the truth or validity of any allegations in the Litigation, or of any liability, fault, or wrongdoing of any kind.

14. If the Settlement Agreement, including any amendment made in accordance with the Settlement Agreement, is not approved by the Court or shall not become final or

otherwise not become effective for any reason whatsoever, the Settlement Agreement (including any modification thereof made with the consent of the parties as provided for in the Settlement Agreement) and any actions taken or to be taken in connection therewith (including this Order and any judgment entered herein) shall be terminated and shall become void and of no further force and effect, except for the Company's obligation to pay for any expenses incurred in connection with publishing the notices provided for by this Order. In that event, pursuant to Federal Rule of Evidence 408 and all analogous state laws, neither the Settlement Agreement, nor any provision contained therein, nor any action undertaken pursuant thereto, nor the negotiation thereof by any party, shall be deemed an admission or received as evidence in this or any other action or proceeding.

15. The Court reserves the right to adjourn the date of the Settlement Hearing or modify any other dates set forth herein without further notice to the Company's shareholders, and retains jurisdiction to consider all further applications arising out of or connected with the Settlement Agreement. The Court may approve the Settlement Agreement, with such modifications as may be agreed to by the settling parties, if appropriate, without further notice to the Company's shareholders.

**DONE AND ORDERED** in Chambers at the James Lawrence King Federal Justice Building and United States Courthouse, Miami, Florida, this 16th day of November, 2017.

  
JAMES LAWRENCE KING  
UNITED STATES DISTRICT JUDGE  
SOUTHERN DISTRICT OF FLORIDA

Cc: All counsel of record

**EXHIBIT A**

TO: ALL RECORD HOLDERS OF THE COMMON STOCK OF NETTALK.COM, INC. ("NETTALK") AS OF JUNE 29, 2017 (THE "RECORD DATE")

PLEASE READ THIS NOTICE CAREFULLY AND IN ITS ENTIRETY. THIS NOTICE RELATES TO A PROPOSED SETTLEMENT AND DISMISSAL OF A SHAREHOLDER DERIVATIVE ACTION AND CONTAINS IMPORTANT INFORMATION REGARDING YOUR RIGHTS. YOUR RIGHTS MAY BE AFFECTED BY THESE LEGAL PROCEEDINGS. IF THE COURT APPROVES THE SETTLEMENT, YOU WILL BE FOREVER BARRED FROM CONTESTING THE APPROVAL OF THE SETTLEMENT AND FROM PURSUING THE RELEASED CLAIMS. IF YOU HOLD NETTALK COMMON STOCK FOR THE BENEFIT OF ANOTHER, PLEASE PROMPTLY TRANSMIT THIS DOCUMENT TO SUCH BENEFICIAL HOLDER.

Notice is hereby provided to you of the proposed settlement and dismissal of certain litigation against NetTalk and certain of its directors, officers, and shareholders (the "Individual Defendants" and together with NetTalk, the "Defendants"), brought by Telestrata, LLC, a Colorado limited liability company ("Plaintiff") currently pending in the United States District Court for the Southern District of Florida (the "Court") with case number 1:14-CV-24137-JLK (the "Telestrata Claims"). NetTalk has also made certain claims against Plaintiff, and certain affiliates of Plaintiff (the "NetTalk Claims, and together with the Telestrata Claims, the "Litigation"). The parties in the Litigation are herein referred to collectively as the "Parties." This Notice is not an expression of any opinion by the Court with respect to the truth of the allegations in the nation or the merits of the claims or defenses asserted by or against any party. It is solely to notify you of the terms of the proposed settlement of the Litigation, and your rights related thereto. The terms of the proposed settlement are set forth in a written Settlement Agreement, as amended (the "Settlement Agreement") attached as Exhibit A to the Stipulated Joint Motion to Approve Settlement Agreement Pursuant to *Fed. R. Civ. P.* 23.1(c) submitted on or about November 7, 2017 (the "Motion for Court Approval"), a link to which can be found on NetTalk's website under the "Investor Relations" tab at [www.nettalk.com/about/investor-relations/](http://www.nettalk.com/about/investor-relations/).

- I. Why are you receiving this Notice? Your rights may be affected by the Settlement Agreement. NetTalk and the Plaintiff have agreed upon terms to settle the Litigation and have executed the Settlement Agreement and the Motion for Court Approval setting forth those settlement terms. On December 18, 2017 at 10:00 A.M., the Court will hold a hearing (the "Final Settlement Hearing"), the purpose of which is to determine (i) whether the proposed settlement is fair, reasonable and adequate and should be finally approved; (ii) whether the Litigation should be dismissed with prejudice pursuant to the Motion for Court Approval; and (iii) such other matters as may be necessary or proper under the circumstances.
  
- II. The Litigation and Settlement Agreement: The claims and defenses asserted in the Litigation are summarized in the Settlement Agreement and the Motion for Court Approval. The members of NetTalk's Board of Directors exercised their business

judgment and have unanimously approved the Settlement Agreement and each of its terms as in the best interests of NetTalk. The terms of the settlement are subject to approval by the Court.

- III. Reasons for the Settlement: NetTalk, the Individual Defendants, Plaintiff, its affiliates, and their respective counsel have determined that it is desirable and beneficial and in the Parties' respective best interests that the Litigation be fully and finally settled in the manner agreed and upon the term and conditions set forth in the Settlement Agreement and the Motion for Court Approval. Each of the Parties have denied and continue to deny each and every one of the claims alleged by the Plaintiff in the Litigation. The Parties have expressly denied and continue to deny all allegations of wrongdoing or liability against them or any of them, arising out of, based upon, or related to any of the conduct, actions, omissions alleged or that could have been alleged in the Litigation. The Individual Defendants in particular have denied and continue to deny, among other things, that they breached their fiduciary duty or any other duty owed to NetTalk or its shareholders, or that Plaintiff, NetTalk or its shareholders suffered any damage or were harmed as a result of any conduct alleged in the Litigation. The Individual Defendants have further asserted and continue to assert that at all relevant times, they acted in good faith and in a manner they reasonably believed to be in the best interests of NetTalk and its shareholders.

The Parties and their counsel believe that the claims asserted in the Litigation have merit. However, they and their counsel recognize and acknowledge the expense and length of continued proceedings necessary to prosecute the Litigation through trial and potential appeals. They and their counsel also have taken into account the uncertain outcome and the risk of any litigation, especially in complex actions such as the Litigation, as well as the difficulties and delays inherent in such litigation. They and their counsel also are mindful of the inherent problems of proof of, and possible defenses to, the claims asserted in the Litigation.

Irrespective of the foregoing, the Parties also have taken into account the expense, uncertainty and risks inherent in any litigation, especially in complex cases like the Litigation, and that the proposed settlement would, among other things: (a) bring to an end the expenses, burdens and uncertainties associated with continued litigation of the claims asserted in the Litigation, (b) finally put to rest those claims and the underlying matters, and (c) confer benefits upon them. Therefore, the Parties have determined that it is desirable and beneficial that the Litigation, and all disputes related thereto, be fully and finally settled in the manner and upon the terms and conditions set forth in the Settlement Agreement and the Motion for Court Approval.

- IV. Final Settlement Hearing. The Court has scheduled a Final Settlement Hearing in Courtroom 2 of the James Lawrence King Federal Justice Building and United States

Courthouse, 99 N.E. Fourth Street, Room 1127, Miami, Florida, 33132, to occur on December 18, 2017 at 10:00 A.M. At the Final Settlement Hearing, the Court will consider whether the terms of the Settlement Agreement are fair, reasonable, and adequate and thus should be finally approved and whether the Litigation should be dismissed with prejudice pursuant to the Motion for Court Approval. If the Court issues an order and judgment that approves the Settlement and becomes final, Plaintiff and Defendants will then file a joint voluntary dismissal with prejudice of the Litigation.

- V. Right to Attend Final Settlement Hearing. Any current NetTalk shareholder may, but is not required to, appear in person at the Final Settlement Hearing. If you want to be heard at the Final Settlement Hearing, then you must first comply with the procedures for objecting, which are set forth below. The Court has the right to change the hearing date or time without further notice. Thus, if you are planning to attend the Final Settlement Hearing, you should confirm the date and time before going to the Court. Current NetTalk shareholders who have no objection to the Settlement do not need to appear at the Final Settlement Hearing or take any other action.
- VI. Right to Object to the Proposed Settlement and Procedures for Doing So. Any current NetTalk shareholder may appear and show cause, if he, she or it has any reason why the Settlement should not be approved as fair, reasonable, and adequate, or why a judgment should not be entered thereon. You must object in writing, and you may request to be heard at the Final Settlement Hearing. If you choose to object, then you must make detailed objections in writing which contain the following information:
- a. Your name, legal address, and telephone number;
  - b. The case name and number (*Telestrata, LLC v. NetTalk.com, Inc., et al.*, Case No: 1:14-CV-24137-JLK);
  - c. Proof of being a NetTalk shareholder as of the date of this Notice;
  - d. The date(s) you acquired your NetTalk shares;
  - e. A statement of each objection being made;
  - f. Notice of whether you intend to appear at the Settlement Hearing, although you are not required to appear; and
  - g. Copies of any papers you intend to submit to the Court, along with the names of any witness(es) you intend to call to testify at the Final Settlement Hearing and the anticipated subject(s) of their testimony.

The Court may not consider any objection that does not substantially comply with these requirements within the time permitted for objections. All written objections and supporting papers must be submitted to the Court by mailing them to:

Clerk of the Court  
United States District Court for the Southern District of Florida  
400 North Miami Avenue, 8th Floor South  
Miami, Florida 33128

All written objections and supporting papers also shall be served by first-class mail, at the same time on the following counsel:

R. Livingston Keithley, Esq., *pro hac vice*  
The Overton Law Firm  
165 S. Union Boulevard, Suite 542  
Lakewood, Colorado 80228

Robert Stein, Esq.  
Jeffrey Tew, Esq.  
Rennert, Vogel, Mandler & Rodriguez, PA  
1000 S.E. Second Street, Suite 2900  
Miami, FL 33131

and

Matthew C. Martin, Esq.  
Gaebe, Mullen, Antonelli & DiMatteo  
420 South Dixie Highway, Third Floor  
Coral Gables, FL 33146

*Attorneys for Defendants NetTalk.com, Inc.,  
Anastasios "Takis" Kyriakides, Steven Healy,  
Anastasios "Nick" Kyriakides II, Kenneth  
Hosfeld, Garry Paxinos, Kyriakides Investments  
Ltd., Shadron Stastney, and Angela Ilisie*

*Attorneys for Plaintiff Telestrata LLC, and  
Counterclaim Defendants Samer Bishay,  
Maged Bishara, and Nadir AlJazrawi*

YOUR WRITTEN OBJECTIONS MUST BE POSTMARKED OR ON FILE WITH THE CLERK OF THE COURT NO LATER THAN December 11, 2017. Unless the Court orders otherwise, your objection will not be considered unless it is timely filed with the Court. Any Person or entity who fails to object or otherwise request to be heard in the manner prescribed above will be deemed to have waived the right to object or be heard with respect to any aspect of the Settlement Agreement and/or the Motion for Court Approval (including the right to appeal) and will be forever barred from raising such objection or request to be heard in this or any other action or proceeding, and, unless otherwise ordered by the Court, shall be bound by the Court's judgment to be entered and the releases to be given.

- VII. How to Obtain Additional Information. This Notice is not a complete statement of the events of the Litigation or the proposed settlement. You may inspect the Settlement Agreement, the Motion for Court Approval, and the Court Order granting preliminary approval and setting the Final Settlement Hearing by going to [www.nettalk.com/about/investor-relations/](http://www.nettalk.com/about/investor-relations/) and otherwise view the filings in the Litigation by visiting via PACER at [www.pacer.gov](http://www.pacer.gov). If you have any questions about matters in this Notice you may contact:

Dmitri Kirkiles  
NetTalk.com, Inc.  
1080 NW 163rd Drive  
Miami Gardens, Florida 33169  
305-621-1200 x109

PLEASE DO NOT CALL, WRITE, OR OTHERWISE DIRECT QUESTIONS TO EITHER  
THE COURT OR THE CLERK'S OFFICE.

DATED: November 16, 2017

BY ORDER OF THE UNITED STATES DISTRICT COURT FOR THE SOUTHERN  
DISTRICT OF FLORIDA