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10 SUPERIOR COURT OF THE STATE OF CALIFORNIA

11 COUNTY OF SAN FRANCISCO

12 JOHN R. SWITZER, Individually and on) Lead Case No. CGC-18-564904
13 Behalf of All Others Similarly Situated,) (Consolidated with No. CGC-18-565324)
14 Plaintiff,) CLASS ACTION
15 vs.) AMENDED STIPULATION OF
16 W.R. HAMBRECHT & CO., LLC, et al.,) SETTLEMENT
17 Defendants.) Assigned for all purposes to
18 Judge Mary E. Wiss, Dept. 305
Date Action Filed: 03/09/18

ELECTRONICALLY
FILED

Superior Court of California,
County of San Francisco

08/08/2019
Clerk of the Court

BY: ERNALYN BURA
Deputy Clerk

1 This Amended Stipulation of Settlement (the “Stipulation”), which supercedes the Stipulation of
2 Settlement dated April 24, 2019, in the action captioned *Switzer v. W.R. Hambrecht & Co., LLC, et al.*,
3 Lead Case No. CGC-18-564904 (the “Action”), pending before the Superior Court of California,
4 County of San Francisco (the “Court”), is entered into by and between Plaintiffs John R. Switzer and
5 Jay Mendelson (“Plaintiffs” or “Class Representatives”), on behalf of themselves and the Class (as
6 defined below), and Defendants Arcimoto, Inc. (“Arcimoto” or the “Company”), Mark Frohnmayer,
7 Douglas M. Campoli, Thomas Thurston, Terry Becker, and Jefferson Curl (the “Individual
8 Defendants,” and collectively with Arcimoto, the “Arcimoto Defendants”), and the underwriter of the
9 Company’s September 21, 2017 initial public offering (“IPO”), W.R. Hambrecht + Co., LLC (the
10 “Underwriter Defendant” or “Hambrecht”) (collectively, “Defendants”), by and through their respective
11 counsel. This Stipulation is intended by Plaintiffs and Defendants (collectively, the “Parties”) to fully,
12 finally, and forever resolve, discharge, release and settle the Settled Claims, as defined below, upon and
13 subject to the terms and conditions hereof, and is submitted pursuant to California Code of Civil
14 Procedure §382 and California Rule of Court 3.769 for approval of this Court.

15 **I. SUMMARY OF CLAIMS AND PROCEDURAL HISTORY**

16 The initial complaint in this action was filed on March 9, 2018, by John R. Switzer, and a
17 complaint was filed by Jay Mendelson on March 27, 2018. On June 26, 2018, the Plaintiffs filed a
18 consolidated complaint (the “Consolidated Complaint”).

19 On September 19, 2018, the Court entered an Order overruling in its entirety defendant
20 Hambrecht’s demurrer to the Consolidated Complaint. On the same day, the Court entered an Order
21 sustaining in part and overruling in part the Arcimoto Defendants’ demurrer to the Consolidated
22 Complaint, and an Order denying the Arcimoto Defendants’ motion to stay discovery. On September
23 28, 2018, Plaintiffs filed the First Amended Consolidated Complaint. Defendants have produced and
24 Plaintiffs’ Counsel have reviewed approximately 107,000 pages of discovery.

25 On January 25, 2019, the Parties participated in a full-day mediation session overseen by
26 Michelle Yoshida, Esq. of Phillips ADR, an experienced mediator. The mediation was preceded by
27 submission of mediation statements and exhibits. Defendants and Plaintiffs engaged in arm’s-length
28 negotiations during the mediation session, and ultimately reached an agreement in principle to settle the

1 Action, subject to execution of a Stipulation of Settlement and approval by the Court after notice to the
2 Class.

3 **II. PLAINTIFFS' INVESTIGATION AND THE BENEFITS OF SETTLEMENT**

4 Plaintiffs' Counsel represent that they have conducted an extensive investigation of the claims
5 and the underlying events and transactions alleged in this Action. Among other things, Plaintiffs'
6 Counsel have analyzed public filings, records, documents, and other materials concerning Defendants
7 and third parties, reviewed thousands of pages of documents provided by Defendants and have
8 researched the applicable law with respect to the claims of Plaintiffs and the Class against Defendants
9 and the potential defenses thereto.

10 Based on their investigation and review, Plaintiffs and Plaintiffs' Counsel have concluded that
11 the terms and conditions of this Stipulation are fair, reasonable and adequate to the Class and in their
12 best interests, and have agreed to settle the claims raised in the Action pursuant to the terms and
13 provisions of this Stipulation, after considering: (a) the substantial benefits that Plaintiffs and the Class
14 will receive from settlement of the Action; (b) the risks, costs, and uncertainties of ongoing litigation;
15 (c) the desirability of permitting the Settlement to be consummated as provided by the terms of this
16 Stipulation; and (d) Plaintiffs' Counsel's experience in the prosecution of similar actions.

17 **III. DEFENDANTS' DENIALS OF WRONGDOING AND LIABILITY**

18 Defendants have denied and continue to deny that they have committed any act or omission
19 giving rise to any liability and/or violation of law. Defendants expressly have denied and continue to
20 deny all charges of wrongdoing or liability against them arising out of any of the conduct, statements,
21 acts, omissions alleged, or that could have been alleged, in the Action. Defendants also have denied
22 and continue to deny, *inter alia*, the allegations that Plaintiffs or Class Members have suffered damages,
23 or were otherwise harmed by the conduct alleged in the Action. Defendants have asserted and continue
24 to assert that their statements during the Class Period, including the Prospectus issued in connection
25 with Arcimoto's IPO, contained no material misstatements or omissions nor did they otherwise make
26 any material misstatements or omissions. Defendants have asserted and continue to assert that, at all
27 times, they acted in good faith and in a manner they reasonably believed to be in accordance with all
28 applicable rules, regulations, and laws. Neither the Settlement (as defined below) nor any of its terms

1 shall constitute an admission or finding of wrongful conduct, acts or omissions. Defendants do not
2 admit any liability or wrongdoing in connection with the allegations set forth in the Action, or any facts
3 related thereto.

4 Defendants are entering into this Settlement to eliminate the burden and expense of further
5 litigation. Defendants also have taken into account the uncertainty and risks inherent in any litigation,
6 especially in complex cases like the Action. Defendants have, therefore, determined that it is desirable
7 and beneficial to them that the Action be fully and finally settled in the manner and upon the terms and
8 conditions set forth in this Stipulation.

9 This Stipulation shall in no event be construed or deemed to be evidence of, or an admission or
10 concession on the part of any Defendant with respect to, any claim or of any fault or liability or
11 wrongdoing or damage whatsoever, or any infirmity in the defenses that Defendants have asserted.

12 **IV. TERMS OF THE STIPULATION AND AGREEMENT OF SETTLEMENT**

13 NOW THEREFORE, without any admission or concession on the part of Plaintiffs of any lack
14 of merit of the Action whatsoever, and without any admission or concession of any liability or
15 wrongdoing or lack of merit in the defenses whatsoever by Defendants, it is hereby STIPULATED
16 AND AGREED, by and among the Parties to this Stipulation, through their undersigned attorneys,
17 subject to approval of the Court, in consideration of the benefits flowing to the Parties hereto from the
18 Settlement, that all Settled Claims (as defined below) as against the Released Parties (as defined below)
19 and all of Settled Defendants' Claims (as defined below) shall be compromised, settled, released, and
20 discharged, upon and subject to the following terms and conditions:

21 **1. Certain Definitions**

22 In addition to the terms that may be defined elsewhere in this Stipulation, the following terms as
23 used in the Stipulation have the meanings set forth below:

24 1.1 "Action" means *Switzer v. W.R. Hambrecht & Co., LLC, et al.*, Lead Case No. CGC-18-
25 564904, pending in the Superior Court of California, County of San Francisco.

26 1.2 "Authorized Claimant" means any Class Member whose claim for recovery has been
27 allowed pursuant to the terms of the Stipulation.

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1 1.3 “Claims Administrator” means Gilardi & Co. LLC or such other entity as the Court shall
2 appoint to administer the Settlement.

3 1.4 “Class” or “Class Members” means all Persons who purchased Arcimoto common stock
4 in Arcimoto’s IPO between June 22, 2017 and September 21, 2017. Excluded from the Class are
5 Defendants and their families, the officers, directors and affiliates of Defendants at all relevant times,
6 members of their immediate families and their legal representatives, heirs, successors or assigns, and
7 any entity in which Defendants have or had a controlling ownership interest during the Class Period;
8 and any Person who timely and validly requests exclusion from the Class.

9 1.5 “Class Period” means the period between June 22, 2017 to September 21, 2017,
10 inclusive.

11 1.6 “Company” shall mean Arcimoto, Inc. and its predecessors, successors, parents,
12 subsidiaries, divisions or affiliates.

13 1.7 “Court” means the California Superior Court for the County of San Francisco.

14 1.8 “Defendants” means Arcimoto, Mark Frohnmayer, Douglas M. Campoli, Thomas
15 Thurston, Terry Becker, Jefferson Curl, and W.R. Hambrecht + Co., LLC.

16 1.9 “Defendants’ Counsel” means the law firm of Gordon Rees Scully Mansukhani LLP.

17 1.10 “Effective Date of Settlement” or “Effective Date” means the date upon which the
18 Settlement contemplated by this Stipulation shall become effective, as set forth in ¶10.1 below.

19 1.11 “Escrow Account” means an interest-bearing escrow account established by the Escrow
20 Agent to receive the Settlement Amount.

21 1.12 “Escrow Agent” means Robbins Geller Rudman & Dowd LLP or its successor(s).

22 1.13 “Fee and Expense Award” means the amount of attorneys’ fees and expenses awarded
23 by the Court as described in ¶5.1.

24 1.14 “Final” means the time when any judgment or order, including the Judgment, represents
25 a binding determination of all the issues within their scope and are not subject to further review on
26 appeal or because, without limitation, it has not been reversed, vacated, or modified in any way and is
27 no longer subject to appellate review, either because of disposition on appeal and conclusion of the
28 appellate process or because of passage, without action, of time for seeking appellate review. Without

1 limitation, “Final” refers to the later of: (i) the entry of judgment approving the Stipulation; (ii) the date
2 of final affirmance on an appeal of the Judgment, the expiration of the time for a petition for or a denial
3 of a writ of certiorari to review the Judgment and, if certiorari is granted, the date of final affirmance of
4 the Judgment following review pursuant to that grant; (iii) the date of final dismissal of any appeal from
5 the Judgment or the final dismissal of any proceeding or certiorari to review the Judgment; or (iv) if no
6 appeal is filed, the expiration date of the time for the filing or noticing of an appeal from the Court’s
7 Judgment approving the Stipulation. However, any appeal seeking judicial review pertaining solely to
8 an order issued with respect to: (i) attorneys’ fees, costs or expenses, or (ii) the Plan of Allocation (as
9 submitted or subsequently modified) shall not in any way delay or preclude the Judgment from
10 becoming Final.

11 1.15 “Judgment” means the order granting final approval of class action settlement and
12 approving the Plan of Allocation and the judgment to be entered approving the Settlement.

13 1.16 “Net Settlement Fund” means the Settlement Fund less: (i) Court awarded attorneys’
14 fees; (ii) notice and administration expenses; (iii) any required Taxes; (iv) Court awarded litigation
15 expenses; (v) awards to the Class Representatives; and (vi) any other fees or expenses approved by the
16 Court.

17 1.17 “Notice” means the Notice of Proposed Settlement of Class Action, which is to be sent to
18 members of the Class, substantially in the form attached hereto as Exhibit A.

19 1.18 “Notice Order” means the order to be entered by the Court preliminarily approving the
20 Settlement and directing notice thereof to the Class.

21 1.19 “Person” means an individual, corporation, partnership, limited partnership, limited
22 liability partnership, association, joint stock company, joint venture, limited liability company or
23 corporation, professional corporation, estate, legal representative, trust, unincorporated association,
24 government or any political subdivision or agency thereof, and any business or legal entity and his, her
25 or its spouses, heirs, predecessors, successors, representatives, or assignees.

26 1.20 “Plaintiffs” or “Class Representatives” means John R. Switzer and Jay Mendelson.
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1 1.21 “Plaintiffs’ Counsel” means Samuel H. Rudman, Ellen Gusikoff Stewart and James I.
2 Jaconette of Robbins Geller Rudman & Dowd LLP, Frank J. Johnson and Phong L. Tran of Johnson
3 Fistel, LLP and Brian J. Robbins, Stephen J. Oddo and Nichole T. Browning of Robbins Arroyo LLP.

4 1.22 “Plaintiffs’ Settlement Counsel” means Samuel H. Rudman, Ellen Gusikoff Stewart and
5 James I. Jaconette of Robbins Geller Rudman & Dowd LLP and Frank J. Johnson and Phong L. Tran of
6 Johnson Fistel, LLP.

7 1.23 “Plan of Allocation” means the plan described in the Notice or any alternate plan
8 approved by the Court whereby the Net Settlement Fund (as defined above in ¶1.16) shall be distributed
9 to Authorized Claimants. Any Plan of Allocation is not part of the Stipulation, and the Released Parties
10 shall have no responsibility therefore or liability with respect thereto.

11 1.24 “Proof of Claim” means the Proof of Claim and Release, substantially in the form
12 attached hereto as Exhibit B.

13 1.25 “Prospectus” means, collectively, the registration statement and prospectus, as amended,
14 filed with the SEC in connection with the IPO.

15 1.26 “Related Parties” means each of a Defendant’s past or present parents, subsidiaries,
16 affiliates, divisions, predecessors, successors, joint venturers and assigns, and each of their respective
17 past or present directors, officers, employees, partners, insurers, co-insurers, reinsurers, principals,
18 members, agents, underwriters, controlling shareholders, attorneys, accountants, auditors, investment
19 advisors, personal or legal representatives, spouses, heirs, estates, related or affiliated entities, any
20 members of an Individual Defendant’s immediate family, any trust of which an Individual Defendant is
21 the settlor or which is for the benefit of any Individual Defendant and/or any member of an Individual
22 Defendant’s immediate family, and any entity in which a Defendant and/or any member of an
23 Individual Defendant’s immediate family has or have a controlling interest (directly or indirectly).

24 1.27 “Released Parties” means Defendants and each and all of their Related Parties.

25 1.28 “Settled Claims” means any and all claims, including “Unknown Claims” as defined
26 below, that both (a) arise out of, are based upon, or relate to in any way, any of the allegations, acts,
27 transactions, facts, events, matters, occurrences, statements, representations, misrepresentations or
28 omissions involved, set forth, alleged or referred to, in this Action, or which could have been alleged in

1 this Action, and (b) arise out of, are based upon, or relate to in any way, the purchase of Arcimoto
2 common stock during the period June 22, 2017 to September 21, 2017. “Settled Claims” also includes
3 any and all claims arising out of, relating to, or in connection with the Settlement or resolution of the
4 Action against the Released Parties (including Unknown Claims), except claims to enforce any of the
5 terms of this Stipulation.

6 1.29 “Settled Defendants’ Claims” means all claims, including “Unknown Claims” as defined
7 below, that any Released Parties may have against Plaintiffs, Class Members, or any counsel to
8 Plaintiffs or Class Members arising out of or relating in any way to the institution, prosecution or
9 settlement of the Action or the Settled Claims (except for claims to enforce any of the terms of this
10 Stipulation).

11 1.30 “Settlement” means the settlement on the terms set forth in this Stipulation.

12 1.31 “Settlement Amount” means the sum of \$2,450,000 to be paid into an Escrow Account
13 pursuant to ¶3.

14 1.32 “Settlement Fairness Hearing” means the hearing scheduled by the Court to determine
15 whether (i) the Settlement is fair, reasonable and adequate, (ii) the Plan of Allocation is fair, reasonable
16 and adequate, and (iii) Plaintiffs’ Settlement Counsel’s request for an award of attorneys’ fees and
17 expenses, including awards to Plaintiffs, is reasonable.

18 1.33 “Settlement Fund” means the Settlement Amount that is paid into the Escrow Account
19 plus any interest or income earned thereon.

20 1.34 “Summary Notice” means the summary notice of proposed Settlement and hearing for
21 publication, substantially in the form attached hereto as Exhibit C.

22 1.35 “Unknown Claims” means any and all claims and potential claims against Defendants
23 which Plaintiffs or Class Members do not know or suspect to exist in his, her, or its favor as of the
24 Effective Date, and any claims against Plaintiffs which Defendants do not know or suspect to exist in
25 their favor, which if known by him, her, or it might have affected his, her, or its decision(s) with respect
26 to the Settlement. With respect to any and all Settled Claims and Settled Defendants’ Claims, the
27 Parties stipulate and agree that by operation of the Judgment, upon the Effective Date, the Plaintiffs and
28 Defendants shall have expressly waived, and each Class Member shall be deemed to have waived, and

1 by operation of the Judgment shall have expressly waived, the provisions, rights and benefits of Cal.
2 Civ. Code §1542, which provides:

3 A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE
4 CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST
5 IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND
6 THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED
7 HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY;

8 and any and all provisions, rights, and benefits conferred by any law of any state or territory of the
9 United States, or principle of common law, which is similar, comparable, or equivalent to Cal. Civ.
10 Code §1542. Plaintiffs and Class Members may hereafter discover facts in addition to or different from
11 those which he, she, or it now knows or believes to be true with respect to the subject matter of the
12 Settled Claims, but Plaintiffs shall expressly fully, finally, and forever settle and release, and each Class
13 Member, upon the Effective Date, shall be deemed to have, and by operation of the Final Judgment
14 shall have, fully, finally, and forever settled and released, any and all Settled Claims, known or
15 unknown, suspected or unsuspected, contingent or non-contingent, whether or not concealed or hidden,
16 which now exist, or heretofore have existed, upon any theory of law or equity now existing or coming
17 into existence in the future, including, but not limited to, conduct which is negligent, intentional, with or
18 without malice, or a breach of any duty, law or rule, without regard to the subsequent discovery or
19 existence of such different or additional facts. Plaintiffs and Defendants acknowledge, and Class
20 Members shall be deemed to have acknowledged, that the inclusion of “Unknown Claims” in the
21 definition of Settled Claims and Settled Defendants’ Claims was separately bargained for and was a key
22 element of the Settlement of which these releases are a part.

23 **2. Scope and Effect of Settlement**

24 2.1 The obligations incurred pursuant to this Stipulation shall be in full and final disposition
25 of: (i) this Action against Defendants; (ii) any and all Settled Claims as against all Released Parties; and
26 (iii) any and all Settled Defendants’ Claims.

27 2.2 (a) Upon the Effective Date of this Settlement, Plaintiffs and all Class Members, on
28 behalf of themselves, shall be deemed to have, and by operation of the Final Judgment shall have, fully,
finally, and forever waived, released, and discharged all Settled Claims against the Released Parties,

1 regardless of whether such Class Member executes and delivers a Proof of Claim, shares in the
2 Settlement Fund, or objects to the Settlement.

3 (b) Upon the Effective Date of this Settlement, each and every Class Member and any
4 Person claiming through or on behalf of them will be permanently and forever barred and enjoined from
5 commencing, instituting, prosecuting or continuing to prosecute any action or other proceeding in any
6 court of law or equity, arbitration tribunal, administrative forum, or any other forum, asserting the
7 Settled Claims against the Released Parties, whether or not such Class Member executes and delivers a
8 Proof of Claim, shares in the Settlement Fund, or objects to the Settlement.

9 (c) Upon the Effective Date of this Settlement, each of the Defendants and the Released
10 Parties shall be deemed to have, and by operation of the Final Judgment shall have, fully, finally, and
11 forever released and discharged Plaintiffs, Plaintiffs' Counsel and each and all of the Class Members
12 from each and every one of the Settled Defendants' Claims.

13 (d) Notwithstanding the provisions of ¶¶2.2(a) through (c) hereof, in the event that any of
14 the Released Parties asserts against Plaintiffs, any Class Member, or their respective counsel, any claim
15 that is a Settled Defendants' Claim, then such Plaintiffs, Class Member, or counsel shall be entitled to
16 use and assert such factual matters included within the Settled Claims only against such Released Party
17 in defense of such claim, but not for the purposes of affirmatively asserting any claim against any
18 Released Party.

19 (e) Notwithstanding the provisions of ¶¶2.2(a) through (c) hereof, in the event that Plaintiffs
20 or any member of the Class asserts against any of the Released Parties or their respective counsel any
21 claim that is a Settled Claim, then such Released Party or counsel shall be entitled to use and assert such
22 factual matters included within the Settled Defendants' Claims only against such Plaintiffs or Class
23 Member in defense of such claim, but not for the purposes of affirmatively asserting any claim against
24 Plaintiffs or any Class Member.

25 (f) The releases provided in this Stipulation shall become effective immediately upon
26 occurrence of the Effective Date without the need for any further action, notice, condition or event.

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1 **3. The Settlement Consideration**

2 3.1 Defendants shall pay or cause to be paid, the Settlement Amount of \$2,450,000 into the
3 Escrow Account within ten (10) business days after the Court’s preliminary approval of the Settlement.
4 The Parties agree that the Settlement Fund is intended to be a Qualified Settlement Fund within the
5 meaning of Treasury Regulation §1.468B-1. The account funds, less any amounts incurred for notice,
6 administration, and/or taxes, plus any accrued interest thereon, shall revert to the person(s) making the
7 deposits if the Settlement does not become effective for any reason, including by reason of a
8 termination of the Settlement pursuant to ¶10.3 or ¶10.4 herein. The Settlement Fund includes any
9 interest earned thereon.

10 3.2 Plaintiffs and Class Members shall look solely to the Settlement Fund as satisfaction of
11 all claims that are released hereunder. Defendants shall have no obligation under this Stipulation or the
12 Settlement to pay any additional amounts, and upon payment funding, Defendants shall have no other
13 obligation to pay or reimburse any fees, expenses, costs, taxes, liability or damages whatsoever alleged
14 or incurred by Plaintiffs, by any Class Member, or by any of their attorneys, experts, advisors, agents,
15 or representatives with respect to the Action and Settled Claims. Any award made by the Court
16 pursuant to the Fee and Expense Application referred to in ¶5.1 hereof shall be paid exclusively from
17 the Settlement Fund; any agreement between or among Plaintiffs’ Counsel to divide fees, expenses,
18 costs or interest shall be between or among such Plaintiffs’ Counsel only; and Defendants shall have no
19 obligation with respect to any allocation between or among Plaintiffs’ Counsel, or with respect to any
20 payment to any Plaintiffs’ Counsel, of any fees, expenses, costs or interest. Plaintiffs and Class
21 Members acknowledge that as of the Effective Date, the releases given herein shall become effective
22 immediately by operation of the Final Judgment and shall be permanent, absolute and unconditional.

23 3.3 (a) The Settlement Fund, net of any Taxes (as defined below), shall be used to pay:
24 (i) the notice and administration costs of the Settlement referred to in ¶4.2 hereof; (ii) any award made
25 by the Court pursuant to the Fee and Expense Application referred to in ¶5.1 hereof; and (iii) the
26 remaining administration expenses referred to in ¶4.2 hereof and any other attorney and administrative
27 costs, fees, payments or awards subsequently approved by the Court. The balance of the Settlement
28 Fund after the above payments shall be the Net Settlement Fund, which shall be distributed to the

1 Authorized Claimants as provided in ¶¶6.1-6.3 hereof. Any portions of the Settlement Fund required to
2 be held in escrow prior to the Effective Date shall be held by the Escrow Agent for the Settlement Fund.
3 The Settlement Fund held by the Escrow Agent shall be deemed to be in the custody of the Court and
4 shall remain subject to the jurisdiction of the Court until such time as the Net Settlement Fund shall be
5 distributed to Authorized Claimants, or returned to Defendants pursuant to this Stipulation and/or
6 further order of the Court. The Escrow Agent shall not disburse the Settlement Fund, or any portion
7 thereof, except as provided in this Stipulation, or upon Order of the Court. The Escrow Agent shall be
8 responsible for investing the Settlement Fund in eligible investments, meaning obligations issued or
9 guaranteed by the United States of America or any agency or instrumentality thereof, backed by the full
10 faith and credit of the United States, or fully insured by the United States Government or an Agency
11 thereof, and the Escrow Agent shall reinvest the proceeds of these obligations or instruments as they
12 mature in similar instruments at their then-current market rates. All risks related to the investment of
13 the Settlement Fund in accordance with the investment guidelines set forth in this paragraph shall be
14 borne by the Settlement Fund.

15 For the purpose of §1.468B of the Internal Revenue Code of 1986, as amended, and the
16 Treasury regulations thereunder, the Escrow Agent shall be designated as the “administrator” of the
17 Settlement Fund. The Escrow Agent shall timely and properly file all informational and other tax
18 returns necessary or advisable with respect to the Settlement Fund (including, without limitation, the
19 returns described in Treas. Reg. §1.468B-2(k)). Such returns (as well as the election described below)
20 shall be consistent with this paragraph and in all events shall reflect that all Taxes (including any
21 estimated Taxes, interest, or penalties) on the income earned by the Settlement Fund shall be paid out of
22 the Settlement Fund as provided herein.

23 (b) All: (i) Taxes (including any estimated Taxes, interest, or penalties) arising with respect
24 to the income earned by the Settlement Fund, including any Taxes or tax detriments that may be
25 imposed upon Defendants or their Related Parties with respect to any income earned by the Settlement
26 Fund for any period during which the Settlement Fund does not qualify as a “qualified settlement fund”
27 for federal or state income tax purposes; and (ii) all other tax expenses incurred in the operation of and
28 implementation of this paragraph, including, without limitation, expenses of tax attorneys and/or

1 accountants and mailing and distribution expenses related to filing or failing to file the returns described
2 in this paragraph (collectively, “Taxes”), shall promptly be paid out of the Settlement Fund by the
3 Escrow Agent without prior order from the Court. The Escrow Agent shall also be obligated to, and
4 shall be responsible for, withholding from distribution to Class Members any funds necessary to pay
5 such amounts, including the establishment of adequate reserves for any Taxes. The Parties agree to
6 cooperate with the Escrow Agent, each other, and their tax attorneys and accountants to the extent
7 reasonably necessary to carry out the provisions of this paragraph.

8 (c) Except to the extent Plaintiffs’ Settlement Counsel is acting in its capacity as Escrow
9 Agent, neither the Parties nor their counsel shall have any responsibility for or liability whatsoever with
10 respect to: (i) any act, omission or determination of the Escrow Agent or the Claims Administrator, or
11 any of their respective designees or agents, in connection with the administration of the Settlement Fund
12 or otherwise; (ii) the Plan of Allocation; (iii) the determination, administration, calculation, or payment
13 of any claims asserted against the Settlement Fund; or (iv) the payment or withholding of any Taxes,
14 expenses, and/or costs incurred in connection with the taxation of the Settlement Fund or the filing of
15 any returns. The Escrow Agent, through the Settlement Fund, shall indemnify and hold each of the
16 Released Parties and their counsel harmless for Taxes and tax expenses (including, without limitation,
17 Taxes payable by reason of any such indemnification).

18 **4. Administration**

19 4.1 The Claims Administrator shall administer and calculate the claims that shall be allowed
20 and oversee distribution of the Settlement Fund subject to such supervision of Plaintiffs’ Settlement
21 Counsel and/or the Court as the circumstances may require. The Claims Administrator agrees to be
22 subject to the jurisdiction of the Court with respect to the administration of the Settlement and the
23 distribution of the Settlement Fund pursuant to the terms of this Stipulation. Defendants shall have no
24 role in, or responsibility for, the administration of the Settlement and shall have no liability to Plaintiffs,
25 the Class, or any other person in connection with, as a result of, or arising out of, such administration.
26 The Claims Administrator will not make any distributions to Class Members from the Net Settlement
27 Fund until the Final Judgment becomes Final and all the conditions described in ¶10.1 herein have been
28 satisfied.

1 4.2 The Escrow Agent may pay from the Settlement Fund, without further approval from
2 Defendants or the Court, the reasonable costs and expenses up to the sum of \$300,000 associated with
3 notice to the Class, and the administration of the Settlement, including, without limitation, the actual
4 costs of notice, and the administrative expenses incurred and fees charged by the Claims Administrator
5 in connection with providing notice and processing the submitted claims. Prior to the Effective Date,
6 all costs and expenses incurred in connection with the administration of the Settlement in excess of
7 \$300,000 shall be paid from the Settlement Fund subject to approval from the Court. After the
8 Effective Date, all costs and expenses incurred and fees charged by the Claims Administrator in
9 connection with the administration of the Settlement shall be paid from the Settlement Fund. Within
10 ten (10) business days of entry of the Notice Order, the Company shall provide or cause to be provided
11 to the Claims Administrator, at no cost, its shareholder lists.

12 **5. Fee and Expense Application**

13 5.1 Plaintiffs' Settlement Counsel will submit an application or applications (the "Fee and
14 Expense Application") to the Court for payment from the Settlement Fund of: (i) attorneys' fees not to
15 exceed 33-1/3% of the Settlement Amount and the payment of litigation expenses incurred in
16 connection with the prosecution of the Action, plus interest on both amounts at the same rate and period
17 as earned on the Settlement Fund (until paid) as may be awarded by the Court; and (ii) an award to
18 Plaintiffs in connection with their representation of the Class. Attorneys' fees, expenses, interest and
19 awards to Plaintiffs as are awarded by the Court shall be paid from the Settlement Fund at the time the
20 Net Settlement Fund is distributed to Authorized Claimants. Plaintiffs' Settlement Counsel may
21 thereafter allocate such fees to Plaintiffs' Counsel.

22 5.2 Notwithstanding any other provision of this Stipulation to the contrary, the Fee and
23 Expense Application to be paid out of the Settlement Fund shall be considered by the Court separate
24 and apart from its consideration of the fairness, reasonableness, and adequacy of the Settlement, and
25 any order or proceeding relating to the Fee and Expense Application, or any appeal of any order relating
26 thereto or reversal or modification thereof, shall not operate to, or be grounds to, terminate or cancel
27 this Stipulation or the Settlement of the Action, or affect or delay the finality of the Final Judgment
28 approving this Settlement.

1 5.3 The Released Parties shall have no responsibility for, and no liability whatsoever with
2 respect to, any payment to Plaintiffs' Counsel from the Settlement Fund. The Released Parties shall
3 have no responsibility for, and no liability whatsoever with respect to, the allocation among Plaintiffs'
4 Counsel, and/or any Person who may assert some claim thereto, of any Fee and Expense Award that the
5 Court may make.

6 **6. Distribution to Authorized Claimants**

7 6.1 The Claims Administrator shall determine each Authorized Claimant's *pro rata* share of
8 the Net Settlement Fund based upon each Authorized Claimant's Recognized Claim as defined in the
9 Plan of Allocation described in the Notice annexed hereto as Exhibit A, or in such other Plan of
10 Allocation as the Court approves.

11 6.2 The Plan of Allocation set forth in the Notice is not a necessary term of this Stipulation.
12 The Released Parties will take no position with respect to the proposed Plan of Allocation or such Plan
13 of Allocation as may be approved by the Court. The Plan of Allocation is a matter separate and apart
14 from the Settlement between the Parties and any decision by the Court concerning the Plan of
15 Allocation shall not affect the validity or finality of the proposed Settlement.

16 6.3 Each Authorized Claimant shall be allocated a *pro rata* share of the Net Settlement Fund
17 based on his or her Recognized Claim compared to the total Recognized Claims of all accepted
18 claimants. The Settlement is non-recapture, *i.e.*, it is not a claims-made settlement. Defendants shall
19 not be entitled to get back any of the settlement monies, or interest earned thereon, once the Final
20 Judgment becomes Final and all the conditions set forth in ¶10.1 herein have been satisfied. The
21 Released Parties shall have no involvement in reviewing, evaluating, or challenging claims and shall
22 have no responsibility or liability for determining the allocation of any payments to any Class Members
23 or for any other matters pertaining to the Plan of Allocation.

24 **7. Administration of the Settlement**

25 7.1 Within one hundred twenty (120) calendar days after such time as set by the Court to
26 mail notice to the Class, each Person claiming to be an Authorized Claimant shall be required to submit
27 to the Claims Administrator a completed Proof of Claim, substantially in the form attached hereto as
28 Exhibit B and as approved by the Court, signed under penalty of perjury and supported by such

1 documents as are specified in the Proof of Claim and as are reasonably available to the Authorized
2 Claimant.

3 7.2 Except as otherwise ordered by the Court, all Class Members who fail to timely submit a
4 Proof of Claim within such period, or such other period as may be ordered by the Court, shall be forever
5 barred from receiving any payments pursuant to the Stipulation and the Settlement set forth herein, but
6 will in all other respects be subject to and bound by the provisions of the Stipulation, the releases
7 contained herein, and the Judgment. Notwithstanding the foregoing, Plaintiffs' Settlement Counsel
8 have the discretion (but not the obligation) to accept for processing late submitted claims so long as the
9 distribution of the Net Settlement Fund to Authorized Claimants is not materially delayed. No Person
10 shall have any claim against Plaintiffs, Plaintiffs' Counsel or the Claims Administrator by reason of the
11 exercise or non-exercise of such discretion.

12 7.3 Each Proof of Claim shall be submitted to and reviewed by the Claims Administrator,
13 under the supervision of Plaintiffs' Settlement Counsel, who shall determine, in accordance with this
14 Stipulation and the approved Plan of Allocation, the extent, if any, to which each claim shall be
15 allowed, subject to review by the Court pursuant to ¶7.5 below.

16 7.4 Proofs of Claim that do not meet the submission requirements may be rejected. Prior to
17 rejecting a Proof of Claim in whole or in part, the Claims Administrator shall communicate with the
18 claimant in writing to give the claimant the chance to remedy any curable deficiencies in the Proof of
19 Claim submitted. The Claims Administrator, under the supervision of Plaintiffs' Settlement Counsel,
20 shall notify, in a timely fashion and in writing, all claimants whose claims the Claims Administrator
21 proposes to reject in whole or in part for curable deficiencies, setting forth the reasons therefor, and
22 shall indicate in such notice that the claimant whose claim is to be rejected has the right to a review by
23 the Court if the claimant so desires and complies with the requirements of ¶7.5 below.

24 7.5 If any claimant whose timely claim has been rejected in whole or in part for curable
25 deficiency desires to contest such rejection, the claimant must, within twenty (20) calendar days after
26 the date of mailing of the notice required in ¶7.4 above, serve upon the Claims Administrator a notice
27 and statement of reasons indicating the claimant's grounds for contesting the rejection along with any
28 supporting documentation. If a dispute concerning a claim cannot be otherwise resolved by Plaintiffs'

1 Settlement Counsel and the Claims Administrator, Plaintiffs' Settlement Counsel shall thereafter
2 present the claimant's request for review to the Court.

3 7.6 Each claimant who has not requested to be excluded from the Class shall be deemed to
4 have submitted to the jurisdiction of the Court with respect to the claimant's claim, including, but not
5 limited to, all releases provided for herein and in the Judgment, and the claim will be subject to
6 investigation and discovery under the California Code of Civil Procedure, provided that such
7 investigation and discovery shall be limited to the claimant's status as a Class Member and the validity
8 and amount of the claimant's claim. In connection with processing the Proofs of Claim, no discovery
9 shall be allowed on the merits of the Action or the Settlement.

10 7.7 No Person shall have any claim against the Plaintiffs, Plaintiffs' Counsel or the Claims
11 Administrator, or any other Person designated by Plaintiffs' Settlement Counsel, or against the Released
12 Parties or any other Person designated by the Released Parties' counsel based on determinations or
13 distributions made substantially in accordance with this Stipulation and the Settlement contained herein,
14 the Plan of Allocation, or further order(s) of the Court.

15 7.8 The Net Settlement Fund shall be distributed to Authorized Claimants substantially in
16 accordance with the Plan of Allocation described in the Notice and approved by the Court. If there is
17 any balance remaining in the Net Settlement Fund after six (6) months from the date of distribution of
18 the Settlement Fund (whether by reason of tax refunds, uncashed checks, or otherwise), Plaintiffs'
19 Settlement Counsel or the Claims Administrator shall, if economically feasible, reallocate such balance
20 among Authorized Claimants in an equitable and economic fashion. Plaintiffs' Settlement Counsel
21 shall notify Defendants' Counsel in writing of each such reallocation within three (3) calendar days of
22 the completion thereof. These redistributions will be repeated until the balance remaining in the Net
23 Settlement Fund is no longer economically reasonable, in the Court's discretion, based on the advice of
24 Plaintiffs' Settlement Counsel and the Claims Administrator, to distribute to Class Members.
25 Thereafter, any balance which still remains in the Net Settlement Fund shall be donated to Bay Area
26 Legal Aid, or other organization(s) approved by the Court.

27 7.9 Defendants and their Related Parties and Defendants' Counsel shall have no
28 responsibility for or liability whatsoever with respect to the investment or distribution of the Net

1 Settlement Fund or the Plan of Allocation, the determination, administration, or calculation of claims,
2 the payment or withholding of Taxes or Tax Expenses, or any losses incurred in connection therewith.

3 7.10 Plaintiffs' Settlement Counsel shall have the right, but not the obligation, to advise the
4 Claims Administrator to waive what the Claims Administrator or Plaintiffs' Settlement Counsel
5 reasonably deems to be formal or technical defects in any Proofs of Claim submitted, including, without
6 limitation, failure to submit a document by the submission deadline, in the interests of achieving
7 substantial justice.

8 7.11 All proceedings with respect to the administration, processing and determination of
9 claims and the determination of all controversies relating thereto, including disputed questions of law
10 and fact with respect to the validity of claims, shall be subject to the jurisdiction of the Court.

11 **8. Terms of Order for Notice and Hearing**

12 8.1 Plaintiffs' Settlement Counsel and Defendants' Counsel shall jointly request that the
13 postmark deadline for objecting to this Settlement be set at least one hundred twenty (120) calendar
14 days after the date for the initial mailing of the Notice as set forth in the Notice Order.

15 **9. Terms of Judgment**

16 9.1 If the Settlement contemplated by this Stipulation is approved by the Court, Plaintiffs'
17 Settlement Counsel shall request that the Court enter a Judgment.

18 **10. Effective Date of Settlement, Waiver or Termination**

19 10.1 The Effective Date of Settlement shall be the date when all of the following shall have
20 hereby occurred:

- 21 (a) the Court has entered a Notice Order;
 - 22 (b) the Settlement Amount has been paid into the Escrow Account pursuant to ¶3;
 - 23 (c) Defendants have not exercised their option to terminate this Stipulation pursuant to
24 ¶10.3;
 - 25 (d) final approval by the Court of the Settlement, following notice to the Class; and
 - 26 (e) entry by the Court of a judgment which becomes Final.
- 27
28

1 10.2 Upon all of the events referenced in ¶10.1 hereof, any and all interest or right of
2 Defendants or the Released Parties in or to the Settlement Fund, if any, shall be absolutely and forever
3 extinguished.

4 10.3 If prior to the Settlement Fairness Hearing, the aggregate number of shares of Arcimoto
5 common stock purchased by Persons who would otherwise be members of the Class, but who request
6 exclusion from the Class, exceeds the sum specified in a separate supplemental agreement between
7 Plaintiffs and Defendants (the “Supplemental Agreement”), Defendants shall have the option (which
8 option must be exercised collectively) to terminate this Stipulation in accordance with the procedures
9 set forth in the Supplemental Agreement. The Supplemental Agreement shall be provided to the Court
10 for its *in camera* review.

11 10.4 Each of the Plaintiffs and each of the Defendants, through their respective counsel, shall,
12 in each of their separate discretions, have the right to terminate the Settlement and this Stipulation, as to
13 themselves, by providing written notice of their election to do so (“Termination Notice”) to all other
14 Parties hereto within thirty (30) calendar days of the date on which: (a) the Court files a final non-
15 appealable refusal to enter the Notice Order in any material respect; (b) the Court files an order refusing
16 to approve this Stipulation or any material part of it; (c) the Court files a final non-appealable refusal to
17 enter the Judgment in any material respect; (d) the Final Judgment is modified or reversed by a court of
18 appeal or any higher court in any material respect; or (e) an Alternative Judgment is modified or
19 reversed by a court of appeal or any higher court in any material respect.

20 10.5 Except as otherwise provided herein, in the event the Settlement is terminated in
21 accordance herewith, is vacated, or the Effective Date fails to occur for any reason, then the Parties
22 shall be deemed to have reverted to their respective status in the Action as of January 25, 2019, and,
23 except as otherwise expressly provided, the Parties shall proceed in all respects as if this Stipulation and
24 any related orders had not been entered, and any portion of the Settlement Amount previously paid by
25 or on behalf of Defendants, together with any interest earned thereon (and, if applicable, re-payment of
26 any attorneys’ fee and expense award referred to in ¶5.1 hereof), less any Taxes due, if any, with respect
27 to such income, and less costs of administration and notice actually incurred and paid or payable from
28 the Settlement Amount (not to exceed \$300,000 without the prior approval of the Court) shall be

1 returned to the Party, Parties or insurer that paid the Settlement as directed by Defendants within ten
2 (10) business days from the date of the event causing such termination. In addition, if the Effective
3 Date fails to occur for any reason, no Party shall be deemed to have waived any rights, causes of action,
4 defenses, positions, or rights, including, without limitation, the right to contest certification of any
5 alleged class or sub-class.

6 **11. No Admission of Wrongdoing**

7 11.1 Defendants deny that they have committed any act or omission giving rise to any liability
8 and/or violation of law, and state that they are entering into this Settlement to eliminate the burden and
9 expense of further litigation. This Stipulation, whether or not consummated, including any and all of its
10 terms, provisions, exhibits and prior drafts, and any negotiations or proceedings related or taken
11 pursuant to it:

12 (a) shall not be offered or received against Defendants as evidence of a presumption,
13 concession, or admission with respect to any liability, negligence, fault, or wrongdoing, or in any way
14 referred to for any other reason as against Defendants, in any other civil, criminal, or administrative
15 action or proceeding, other than such proceedings as may be necessary to effectuate the provisions of
16 this Stipulation; provided, however, that if this Stipulation is approved by the Court and becomes
17 Effective pursuant to its terms, Defendants may refer to it to effectuate the liability protection granted
18 them hereunder;

19 (b) shall not be construed as or received in evidence as an admission, concession, or
20 presumption against Plaintiffs or any of the Class Members that any of their claims are without merit, or
21 that any defenses asserted by Defendants have any merit, or that damages recoverable under the
22 complaints in this Action, or any subsequent operative complaint filed in this Action would not have
23 exceeded the Settlement Fund; and

24 (c) notwithstanding the foregoing, Defendants, Plaintiffs, Class Members, and/or the
25 Released Parties may file this Stipulation and/or the Judgment in any action that may be brought against
26 them in order to support a defense or counterclaim based on principles of *res judicata*, collateral
27 estoppel, release, good faith settlement, judgment bar or reduction or any other theory of claim
28 preclusion or issue preclusion or similar defense or counterclaim.

1 **12. Miscellaneous Provisions**

2 12.1 All of the Exhibits attached hereto are hereby incorporated by reference as though fully
3 set forth herein.

4 12.2 The Parties intend the Settlement to be a final and complete resolution of all disputes
5 asserted or which could be asserted by Plaintiffs and/or any Class Member against the Released Parties
6 with respect to the Settled Claims. Accordingly, Plaintiffs and Defendants agree not to assert in any
7 forum that the litigation was brought by Plaintiffs or defended by Defendants in bad faith or without a
8 reasonable basis. The Parties further agree not to assert in any forum that any party violated California
9 Code of Civil Procedure §128.7 relating to the prosecution, defense, or settlement of the Action. The
10 Parties agree that the amount paid and the other terms of the Settlement were negotiated at arm's length
11 in good faith by the Parties, and reflect a settlement that was reached voluntarily after consultation with
12 experienced legal counsel.

13 12.3 This Stipulation may not be modified or, nor may any of its provisions be waived, except
14 by a writing signed by all Parties hereto.

15 12.4 The headings herein are used for the purpose of convenience only and are not meant to
16 have legal effect.

17 12.5 The administration and consummation of the Settlement as embodied in this Stipulation
18 shall be under the authority of the Court, and the Court shall retain jurisdiction for the purpose of
19 entering orders relating to the Fee and Expense Application, the Plan of Allocation and enforcing the
20 terms of this Stipulation.

21 12.6 The waiver by one Party of any breach of this Stipulation by any other Party shall not be
22 deemed a waiver of any other prior or subsequent breach of this Stipulation.

23 12.7 This Stipulation, its Exhibits and the Supplemental Agreement constitute the entire
24 agreement among the Parties hereto concerning the Settlement of the Action, and no representations,
25 warranties, or inducements have been made by any Party hereto concerning this Stipulation, its Exhibits
26 and the Supplemental Agreement other than the representations, warranties, and covenants contained
27 and memorialized in such documents.

28

1 12.8 This Stipulation may be executed in one or more counterparts and the signatures may be
2 by facsimile or electronically. All executed counterparts and each of them shall be deemed to be one
3 and the same instrument provided that counsel for the Parties shall exchange among themselves original
4 signed counterparts.

5 12.9 This Stipulation shall be binding upon, and inure to the benefit of, the successors,
6 assigns, executors, administrators, heirs and legal representatives of the Parties hereto. No assignment
7 shall relieve any Party hereto of obligations hereunder.

8 12.10 The construction, interpretation, operation, effect and validity of this Stipulation, and all
9 documents necessary to effectuate it, shall be governed by the laws of the State of California, without
10 regard to conflicts of laws, except to the extent that federal law requires that federal law governs, and in
11 accordance with the laws of the United States.

12 12.11 This Stipulation shall not be construed more strictly against one Party than another
13 merely by virtue of the fact that it, or any part of it, may have been prepared by counsel for one of the
14 Parties, it being recognized that it is the result of arm's-length negotiations between the Parties and all
15 Parties have contributed substantially and materially to the preparation of this Stipulation.

16 12.12 All counsel and any other person executing this Stipulation and any of the Exhibits
17 hereto, the Supplemental Agreement or any related Settlement documents, warrant and represent that
18 they have the full authority to do so and that they have the authority to take appropriate action required
19 or permitted to be taken pursuant to the Stipulation to effectuate its terms.

20 12.13 The Settlement contemplated herein is not subject to or contingent upon confirmatory
21 discovery or other discovery.

22 12.14 In the event that the Settlement does not become final for any reason, or the Judgment is
23 vacated, then the Parties to this Action shall revert to their respective positions as of January 25, 2019;
24 and the fact and terms of the Settlement shall not be admissible in any trial of the Action.

25 12.15 The Parties and their counsel agree not to assert in any statement made to any media
26 representative (whether or not for attribution) that the Action was commenced or prosecuted by
27 Plaintiffs or defended by Defendants in bad faith or without a reasonable basis, nor will they deny that
28 the Action was commenced and prosecuted and defended in good faith and is being settled voluntarily

1 after consultation with competent legal counsel. In all events, the Parties and their counsel shall not
2 make any accusations of wrongful or actionable conduct by any party concerning the prosecution,
3 defenses and resolution of this Action, and shall not otherwise suggest that the Settlement constitutes
4 any admission of any claim or defense alleged. The Parties reserve their right to rebut, in a manner that
5 such party determines to be appropriate, any contention made in any public forum regarding the Action,
6 including that the Action was brought or defended in bad faith or without a reasonable basis.

7 12.16 Plaintiffs, Defendants, and their counsel shall not make any applications for sanctions,
8 pursuant to California Code of Civil Procedure §128.7 or any other applicable rule, code, or statute,
9 with respect to any claims or defenses in this Action. The Parties agree that throughout the course of
10 the litigation, all Parties and their counsel complied with the provisions of California Code of Civil
11 Procedure §128.7, the Private Securities Litigation Reform Act of 1995, the Securities Litigation
12 Uniform Standards Act of 1998, and all applicable ethics requirements.

13 12.17 Plaintiffs' Counsel and Defendants' Counsel agree to cooperate reasonably with one
14 another in seeking Court approval of the order for notice and hearing, the Stipulation and the
15 Settlement, and to promptly agree upon and execute all such other documentation as may be reasonably
16 required to obtain final approval by the Court of the Settlement.

17 IN WITNESS WHEREOF, the Parties hereto have caused this Stipulation to be executed, by
18 their duly authorized attorneys, dated August 2, 2019.

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20 & DOWD LLP
21 ELLEN GUSIKOFF STEWART
22 JAMES L. JACONETTE


23 ELLEN GUSIKOFF STEWART

24 655 West Broadway, Suite 1900
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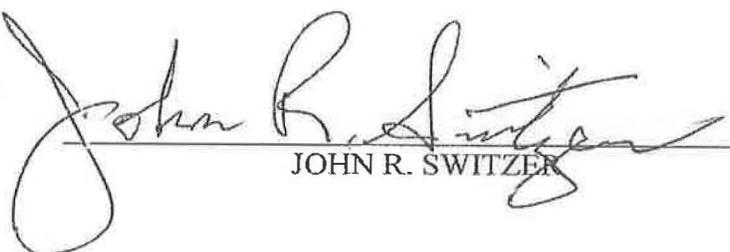
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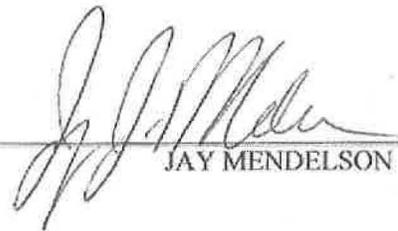
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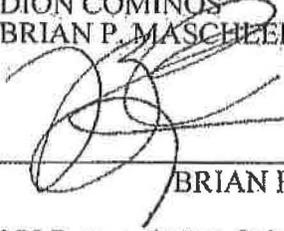
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JAY MENDELSON

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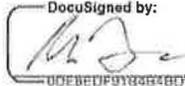
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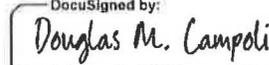
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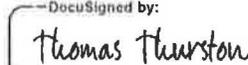
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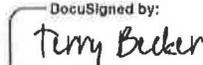
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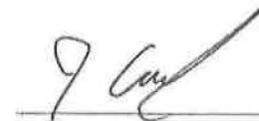
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W.R. HAMBRECHT + CO., LLC

EXHIBIT A

NOTICE OF PROPOSED CLASS ACTION SETTLEMENT

Switzer v. W.R. Hambrecht & Co., LLC, et al.,
San Francisco County Superior Court
Lead Case No. CGC-18-564904

TO: ALL PERSONS WHO PURCHASED ARCIMOTO, INC. (“ARCIMOTO” OR THE “COMPANY”) COMMON STOCK BETWEEN JUNE 22, 2017 AND SEPTEMBER 21, 2017, INCLUSIVE (THE “CLASS”)

IF YOU ARE A MEMBER OF THIS CLASS, YOU SHOULD READ THIS NOTICE CAREFULLY BECAUSE IT WILL AFFECT YOUR LEGAL RIGHTS AND OBLIGATIONS.

A settlement (“Settlement”) has been proposed in a consolidated class action lawsuit pending in San Francisco County Superior Court (“Court”) titled *Switzer v. W.R. Hambrecht & Co., LLC, et al.*, Lead Case No. CGC-18-564904 (the “Litigation”). The terms and conditions of the Settlement are set forth in the Amended Stipulation of Settlement dated August 2, 2019 (“Stipulation”), which can be obtained at www.ArcimotoSecuritiesLitigation.com. The Litigation concerns allegations that the Prospectus issued in connection with Arcimoto’s September 21, 2017 initial public offering (“IPO”) was materially misleading and omitted other material facts concerning Arcimoto’s then-existing production capabilities of its three-wheeled electric vehicle. Defendants expressly have denied and continue to deny all charges of wrongdoing or liability against them arising out of any of the conduct, statements, acts, or omissions alleged, or that could have been alleged, in the Litigation, and also have denied and continue to deny the allegations that Plaintiffs or Class Members have suffered damage, or were otherwise harmed by the conduct alleged in the Litigation.

The Settlement provides for the payment of \$2,450,000.00 for the benefit of the Class. For an estimate of how much money per share you could receive from this Settlement, see the discussion at Sections 7 and 8 on pages ____ of this Notice.

This Notice sets forth the rights you may have in connection with your participation in the Settlement, and what steps you may take in relation to the Settlement and this Litigation.

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT

<p>SUBMIT A PROOF OF CLAIM IN THE MANNER SET FORTH IN SECTION 9</p>	<p>You are required to mail, or electronically fill out on the Settlement website, a Proof of Claim to be eligible to receive money under this Settlement. Proofs of Claim must be postmarked or submitted online on or before the Deadline. To obtain a Proof of Claim, or to access the electronic Proof of Claim, visit the Settlement website: www.ArcimotoSecuritiesLitigation.com, or you may contact the Claims Administrator by telephone or regular mail at the address below. If you do not mail or submit your Proof of Claim online, you will not receive any money recovery, but you will still be bound by the terms of the Settlement and will release your claims relating to the lawsuit as further explained in Section 14 below. If you move after you submit your Proof of Claim, please notify the Claims Administrator with your updated address.</p>	<p>Postmark or Submit Online Deadline: [Month, Day, Year]</p>
<p>EXCLUDE YOURSELF FROM THE SETTLEMENT BY SUBMITTING A WRITTEN REQUEST FOR EXCLUSION</p>	<p>This is the only option that, assuming your claim is timely brought, potentially allows you to ever be part of another lawsuit against any of the Defendants or any other Released Parties concerning the Settled Claims. Should you elect to exclude yourself from the Class, you should understand that Defendants and the other Released Parties will have the right to assert any and all defenses they may have to any claims that you may seek to assert, including, without limitation, the defense that any such claims are untimely under applicable statutes of limitations and statutes of repose. If you exclude yourself from the Settlement, you will not recover any money in this case.</p>	<p>Postmark Deadline: [Month, Day, Year]</p>
<p>OBJECT</p>	<p>You may write to the Claims Administrator about why you object to (<i>i.e.</i>, do not like) the Settlement and think it should not be approved. You can also object to the Plan of Allocation (<i>i.e.</i>, how the Settlement proceeds are going to be divided among members of the Class), Plaintiffs' Counsel's application for an award of attorneys' fees and expenses and payments to the Class Representatives in connection with their representation of the Class. If you choose to object, you must mail your</p>	<p>Postmark Deadline: [Month, Day, Year]</p>

	written objection to the Claims Administrator, postmarked on or before the Deadline. If you object, the Claims Administrator will provide it to Plaintiffs’ Settlement Counsel, who will submit your written objection to the Court. Submitting an objection does not exclude you from the Class. <i>See</i> Section 16 below for further instructions on how to make your objection. If you disagree with the calculation of your claim by the Claims Administrator, see your options in Section 8 below.	
GO TO THE “SETTLEMENT FAIRNESS HEARING” ON _____, 2019	The Court will hold a “Settlement Fairness Hearing” to consider the Settlement, the Plan of Allocation, the request for attorneys’ fees and expenses of the lawyers who brought the Litigation, and payments to the Class Representatives in connection with their representation of the Class. You (either you personally or through a lawyer you hire at your own expense) may, but are not required to, speak at the Settlement Fairness Hearing about any objection you submitted.	Hearing Date: [Month, Day, Year] at [Time]
DO NOTHING	You will give up your right to object to the Settlement and your claims will be released. Therefore, you will not be able to be a part of any other lawsuit about the legal claims in this case. Also, if you do nothing you will not recover any money under the Settlement.	N/A

- These rights and options – **and the deadlines to exercise them** – are explained in more detail below.
- The Court in charge of the Litigation has preliminarily approved the Settlement and must decide whether to give final approval to the Settlement. The relief provided to Class Members will be provided only if the Court gives final approval to the Settlement and, if there are any appeals, after the appeals are resolved in favor of the Settlement. ***Please be patient.***

1. What is this lawsuit about?

Plaintiffs brought this Litigation as a securities class action against Arcimoto, certain of its officers and directors, and the underwriter for Arcimoto’s IPO, alleging that they violated the Securities Act of 1933 (the “Securities Act”) by misrepresenting and omitting material facts in the Prospectus issued in connection with Arcimoto’s September 21, 2017 IPO. Defendants expressly have denied and continue to deny all charges of wrongdoing or liability against them, and they deny that Plaintiffs or Class Members have suffered damage, or were otherwise harmed by the conduct alleged in the Litigation.

The issuance of this Notice is NOT an expression of the Court’s opinion on the merits or the lack of merits of any of the Plaintiffs’ claims in the Litigation or whether the Defendants engaged in any wrongdoing.

For information about how to learn about what has happened in the Litigation to date, please see Section 21 below. You can also obtain the Stipulation and other relevant documents at www.ArcimotoSecuritiesLitigation.com, which has a detailed history of the allegations in the Litigation and what has happened in the Litigation.

2. Why is this Litigation a class action?

In a class action lawsuit, one or more people called plaintiffs sue on behalf of other people who may potentially have similar claims. In this Litigation, the Court appointed John R. Switzer and Jay Mendelson to represent the Class for purposes of Settlement. They are collectively called Class Representatives or Plaintiffs. For purposes of this proposed Settlement, one court will resolve the issues for all Class Members, except for those people who exclude themselves from the Class. Defendants means Arcimoto, Mark Frohnmayer, Douglas M. Campoli, Thomas Thurston, Terry Becker, Jefferson Curl, and W.R. Hambrecht + Co., LLC.

3. Why is there a Settlement?

The Plaintiffs have made claims against Defendants. Defendants deny that they have done anything wrong or violated any statute and admit no liability. The Court has not decided whether the Plaintiffs or Defendants should win the Litigation. Instead, both sides agreed to a settlement with the assistance of a highly respected and experienced mediator. In reaching the Settlement, the parties have avoided the cost, delay, and uncertainty of further litigation.

As in any litigation, Plaintiffs and the Class would face an uncertain outcome if they did not agree to the Settlement. The parties expected that the case could continue for a lengthy period of time and that if Plaintiffs succeeded, Defendants would file appeals that would postpone final resolution of the case. Continuation of the case against Defendants could result in a judgment greater than this Settlement. Conversely, continuing the case could result in no recovery at all or a recovery that is less than the amount of the Settlement.

Plaintiffs and Plaintiffs’ Counsel believe that this Settlement is fair and reasonable to the Class. They have reached this conclusion for several reasons. Specifically, if the Settlement is approved, the Class will receive a certain and significant monetary recovery. Additionally, Plaintiffs and Plaintiffs’ Settlement Counsel believe that the significant and immediate benefits of the Settlement, when weighed against the significant risk, delay, and uncertainty of continued litigation, are a highly favorable result for the Class.

4. How do I know if I am part of the Settlement?

If you purchased Arcimoto common stock between June 22, 2017 and September 21, 2017, you are a Class Member.

5. Are there exceptions to being included?

Yes, excluded from the definition of the Class (defined above) are Defendants and their families, the officers, directors and affiliates of Defendants at all relevant times, members of their immediate families and their legal representatives, heirs, successors or assigns, and any entity in which Defendants have or had a controlling ownership interest during the Class Period. Also excluded is any person that timely and validly requests exclusion from the Class in accordance with the instructions in Section 15 below.

6. I'm still not sure if I am included.

If you are still not sure whether you are included, you can ask for free help by contacting the Claims Administrator at 1-866-276-1239. The address of the Claims Administrator is: *Arcimoto Securities Litigation*, Claims Administrator, c/o Gilardi & Co. LLC, P.O. Box 404132, Louisville, KY 40233-4132. You may also contact a representative of Plaintiffs' Settlement Counsel: Rick Nelson, Shareholder Relations, Robbins Geller Rudman & Dowd LLP, 655 West Broadway, Suite 1900, San Diego, CA 92101, 1-800-449-4900.

7. What relief does the Settlement provide to the Class Members?

In exchange for the Settlement and entry of the Judgment, Defendants have agreed to pay, or cause to be paid \$2,450,000 to be divided, after taxes, notice and settlement administration expenses and costs, any attorneys' fees and expenses awarded by the Court and any payment to Class Representatives in connection with their representation of the Class approved by the Court (the "Net Settlement Fund"). The Net Settlement Fund will be distributed to Class Members pursuant to the Plan of Allocation that is described in the next section of this Notice.

Class Representatives estimate that there are approximately 2.9 million shares of Arcimoto common stock which may have been damaged during the Class Period. Class Representatives estimate that if the Court awards the requested attorneys' fees of up to 33-1/3% of the Settlement Fund (or \$816,658), Plaintiffs' Counsel's expenses of up to \$75,000, awards to one or more of the Class Representatives for their representation of the Class in an amount not to exceed \$10,000 in the aggregate, the average per share recovery would be approximately \$0.50.

Of course, the above are just estimates; a Class Member's actual recovery will be a proportion of the Net Settlement Fund determined by that claimant's Recognized Claim as compared to the total Recognized Claims submitted. An individual Class Member may receive more or less than this average amount depending on the number of claims submitted, when a Class Member purchased Arcimoto common stock, the purchase price paid, and whether those shares were held or sold, and, if sold, when they were sold and the amount received. See Plan of Allocation below for more information on your Recognized Claim.

8. What is the proposed Plan of Allocation?

Your share of the Net Settlement Fund will depend on the number of valid Proofs of Claim that Class Members submit and how many shares of Arcimoto common stock you purchased between June 22, 2017 and September 21, 2017, inclusive, and when or if you sold them.

For purposes of determining the amount an Authorized Claimant¹ may recover under the Plan of Allocation, Plaintiffs' Settlement Counsel conferred with their damages consultant and the Plan of Allocation reflects the statutory calculation of damages under §12(a)(2) of the Securities Act.

If there are sufficient funds in the Net Settlement Fund, each Authorized Claimant will receive an amount equal to the Authorized Claimant's claim, as defined below. If, however, as is more likely, the amount in the Net Settlement Fund is not sufficient to permit payment of the total claim of each Authorized Claimant, then each Authorized Claimant shall be paid the percentage of the Net Settlement Fund that each Authorized Claimant's claim bears to the total of the claims of all Authorized Claimants (*i.e.*, if your Recognized Claim was for \$100 and all Recognized Claims totaled \$1,000, you would be

¹ An Authorized Claimant is any Class Member whose claim for recovery has been allowed pursuant to the Plan of Allocation described herein and the Stipulation.

paid 10% of the Net Settlement Fund). Payment in this manner shall be deemed conclusive against all Authorized Claimants.

The calculation of claims below is not an estimate of the amount you will receive. It is a formula for allocating the Net Settlement Fund among all Authorized Claimants. A claim will be calculated as follows:

Claims for the September 21, 2017 Initial Public Offering

Initial Public Offering Price:	\$6.50 per share
Closing price on the date the lawsuit was filed ² :	\$3.09 per share

For shares of Arcimoto common stock purchased at \$6.50 per share between June 22, 2017 and September 21, 2017, inclusive, and

- 1) sold prior to March 9, 2018, the claim per share is \$6.50 less the Sales Price.
- 2) sold on or after March 9, 2018 or retained through the [DATE OF ENTRY OF NOTICE ORDER], the claim per share is \$6.50 less the greater of (i) the Sales Price, or (ii) \$3.09.

In the event a Class Member has more than one purchase or sale of Arcimoto common shares, all purchases and sales shall be matched on a First-In, First-Out (“FIFO”) basis for purposes of calculating a claim. Under the FIFO method, Class Period sales will be matched in chronological order against Arcimoto common shares purchased.

A purchase or sale of Arcimoto common shares shall be deemed to have occurred on the date the purchase or sale took place. All purchase and sale prices shall exclude any fees and commissions. The receipt or grant by gift or assignment of Arcimoto common shares shall not be deemed a purchase or sale of Arcimoto common shares for the calculation of a Class Member’s claim under the Plan of Allocation unless specifically provided in the gift or assignment.

If you covered a purchase of Arcimoto common shares for shares you originally sold short, those shares will be excluded from the calculation of your claim under the Plan of Allocation. In the event you had a short position in Arcimoto common shares, the date of covering a “short sale” is deemed to be the date of purchase of those shares. The date of a “short sale” is deemed to be the date of sale of those Arcimoto common shares. The earliest purchases shall be matched against such short position, and not be entitled to a recovery for that short position, until that short position is fully covered.

Class Members who do not submit valid Proofs of Claim will not share in the Settlement proceeds. The Settlement and the Final Judgment will nevertheless bind Class Members who did not request exclusion from the Class or do not submit valid Proofs of Claim. You may not submit a Proof of Claim if you request exclusion from the Class.

Distributions will be made to Authorized Claimants after all claims have been processed and after the Court has finally approved the Settlement and approved distribution to the Authorized Claimants. The Net Settlement Fund shall be distributed to the Authorized Claimants substantially in accordance with the Plan of Allocation set forth in the Notice and approved by the Court. If there is any balance remaining in the Net Settlement Fund after the initial distribution (whether by reason of tax refunds, uncashed checks or otherwise), Plaintiffs’ Settlement Counsel shall, if feasible, reallocate such balance among Authorized Claimants in an equitable and economic fashion subject to Court approval.

² The initial complaint in this Litigation was filed on March 9, 2018.

These redistributions shall be repeated with Court approval until the balance remaining in the Net Settlement Fund is too small to distribute to Authorized Claimants. When Plaintiffs' Settlement Counsel and the Claims Administrator determine that there is not enough money to make additional distributions to Authorized Claimants, Plaintiffs' Settlement Counsel will distribute the remaining money in the Net Settlement Fund to Bay Area Legal Aid.

Please contact the Claims Administrator or Plaintiffs' Settlement Counsel at the addresses or phone numbers which will accompany all communications to you if you disagree with any determinations made by the Claims Administrator regarding your Proof of Claim. If you are dissatisfied with the determinations, you may ask the Court to decide the issue by submitting a written request to the Claims Administrator or Plaintiffs' Settlement Counsel.

The Court has reserved jurisdiction to allow, disallow, or adjust the claim of any Class Member on equitable grounds.

Payment pursuant to the Plan of Allocation set forth above shall be conclusive against all Authorized Claimants. No person or entity shall have any claim against Plaintiffs, Plaintiffs' Counsel, any Claims Administrator, any other person designated by Plaintiffs' Counsel, or Defendants and their Related Parties based on the distributions made substantially in accordance with this Plan of Allocation, or further orders of the Court. All Class Members who fail to complete and file a valid and timely Proof of Claim shall be barred from participating in distributions from the Net Settlement Fund (unless otherwise ordered by the Court), but otherwise shall be bound by all of the terms of the Stipulation, including the terms of any judgment entered and the releases given.

9. How can I get a payment?

To qualify for a payment, you must submit a Proof of Claim. A Proof of Claim is enclosed with this Notice or it may be downloaded at www.ArcimotoSecuritiesLitigation.com. Read the instructions carefully, fill out the Proof of Claim, include all the documents the form asks for, sign it, and mail or submit it online so that it is **postmarked (if mailed) or received (if submitted online) no later than [insert date]**. The Proof of Claim may be submitted online at www.ArcimotoSecuritiesLitigation.com, or mailed to:

Arcimoto Securities Litigation
Claims Administrator
c/o Gilardi & Co. LLC
P.O. Box, 404132
Louisville, KY 40233-4132

10. When would I get my payment?

The Court will hold a Settlement Fairness Hearing on _____ to decide whether to approve the Settlement, the Plan of Allocation, Plaintiffs' Counsel's request for an award of attorneys' fees and expenses, and awards to Class Representatives in connection with their representation of the Class. If the Court approves the Settlement and the Plan of Allocation, there may be appeals. It is always uncertain how these appeals will be resolved, and resolving them could take time, likely more than a year. It also takes time for all of the Proof of Claims to be processed. Please be patient.

11. Do I have a lawyer in this case?

The Court has ordered that Samuel H. Rudman, Ellen Gusikoff Stewart of Robbins Geller Rudman & Dowd LLP and Frank J. Johnson and Phong L. Tran of Johnson Fistel, LLP will represent the interests of all members of the Class. You will not be separately charged for these lawyers. If you want to be represented by your own lawyer, you may hire one at your own expense.

12. How will the lawyers be paid?

Counsel for Plaintiffs will request the Court to award attorneys' fees of up to 33-1/3% of the Settlement Fund (or \$816,658) and for expenses incurred in the Litigation in an amount not to exceed \$75,000, plus interest earned on both amounts at the same rate and for the same period of time as earned by the Settlement Fund. The Court will make the final decision as to the amounts to be paid to Plaintiffs' Settlement Counsel. Such sums will be paid from the Settlement Fund.

13. Will the Class Representatives receive any compensation for their efforts in bringing the Litigation?

The Class Representatives will request an amount not to exceed \$10,000 in the aggregate for their services as Class Representatives and their efforts in bringing and prosecuting the Litigation. The Court will make the final decision as to the amount to be paid, if any, to the Class Representatives.

14. What claims am I releasing under the Settlement?

Unless you exclude yourself from the Class in accordance with the instructions in Section 15 below, you are in the Class, and that means you cannot sue, continue to sue, or be part of any other lawsuit against Defendants and their Related Parties (defined below) about the same issues in this case or about issues that could have been asserted in this case. It also means that all of the Court's orders will apply to you and legally bind you and you will release your Settled Claims in this case against Defendants and their respective Related Parties (collectively, the "Released Parties"). "Settled Claims" means any and all claims (including "Unknown Claims" as defined in paragraph 1.35 in the Stipulation) that both (a) arise out of, are based upon, or relate to in any way, any of the allegations, acts, transactions, facts, events, matters, occurrences, statements, representations, misrepresentations or omissions involved, set forth, alleged or referred to, in this Action, or which could have been alleged in this Action, and (b) arise out of, are based upon, or relate to in any way, the purchase of Arcimoto common stock during the period June 22, 2017 and September 21, 2017, inclusive. "Settled Claims" also includes any and all claims arising out of, relating to, or in connection with the Settlement or resolution of the Action against the Released Parties (including Unknown Claims), except claims to enforce any of the terms of the Stipulation.

"Related Parties" means each of a Defendant's past or present parents, subsidiaries, affiliates, divisions, predecessors, successors, joint venturers and assigns, and each of their respective past or present directors, officers, employees, partners, insurers, co-insurers, reinsurers, principals, members, agents, underwriters, controlling shareholders, attorneys, accountants, auditors, investment advisors, personal or legal representatives, spouses, heirs, estates, related or affiliated entities, any members of an Individual Defendant's immediate family, any trust of which an Individual Defendant is the settlor or which is for the benefit of any Individual Defendant and/or any member of an Individual Defendant's immediate family, and any entity in which a Defendant and/or any member of an Individual Defendant's immediate family has or have a controlling interest (directly or indirectly).

15. Can I exclude myself from the Settlement?

Yes. If you do not want to receive a payment from this Settlement, or you want to keep the right to sue or continue to sue Defendants on your own about the legal issues in this case, then you must take steps to get out of the Class. This is called excluding yourself from, or "opting out" of, the Class. If you are requesting exclusion because you want to bring your own lawsuit based on the matters alleged in this Litigation, you may want to consult an attorney and discuss whether any individual claim that you may wish to pursue would be time-barred by the applicable statutes of limitation or repose.

To exclude yourself from the Class, you must send a signed letter by mail saying that you want to be excluded from the Class in the following Litigation: *Switzer v. W.R. Hambrecht & Co., LLC, et*

al., Lead Case No. CGC-18-564904. Be sure to include your name, address, telephone number, and the date(s), price(s), and number of Arcimoto shares you purchased between June 22, 2017 and September 21, 2017, inclusive. Your exclusion request must be **postmarked no later than _____, 2019**, and sent to the Claims Administrator at:

Arcimoto Securities Litigation
Claims Administrator
c/o Gilardi & Co. LLC
EXCLUSIONS
3301 Kerner Boulevard
San Rafael, CA 94901

You cannot exclude yourself by phone or by email. If you make a proper request for exclusion, you will not receive a settlement payment, and you cannot object to the Settlement. If you make a proper request for exclusion, you will not be legally bound by anything that happens in this lawsuit.

16. How do I tell the Court that I do not like the Settlement?

At the date, time, and location stated in Section 19 below, the Court will hold a Settlement Fairness Hearing to determine if the Settlement is fair, reasonable, and adequate, and to also consider the Plan of Allocation, Plaintiffs' Settlement Counsel's request for an award of attorneys' fees and expenses, and service awards to the Class Representatives.

If you do not submit a request for exclusion and wish to object to the fairness, reasonableness or adequacy of the Stipulation or the proposed Settlement, or the Plan of Allocation or to the award of attorneys' fees and expenses or the service awards, you must mail a written objection to the Claims Administrator at the address set forth below by First-Class Mail, postage prepaid, and **postmarked no later than [INSERT DATE]**. Objections must be mailed and cannot be submitted electronically.

Objections
Arcimoto Securities Litigation
c/o Gilardi & Co. LLC
P.O. Box 404132
Louisville, KY 40233-4132

If you wish to object, your written objection must state: **(a)** "*Switzer v. W.R. Hambrecht & Co., LLC*, Lead Case No. CGC-18-564904"; **(b)** the full name, address, and telephone number of the person objecting; and **(c)** in clear and concise terms, the legal and factual arguments supporting the objection, including a short statement of facts demonstrating that the person objecting is a Class Member. If you object and desire to present evidence at the Settlement Fairness Hearing, you must include copies of any exhibits you intend to introduce into evidence. You may, but need not, hire a lawyer of your choosing to write and serve your objection. If you do make your objection through a lawyer, you will be responsible for your personal attorney's fees and costs.

IF YOU DO NOT TIMELY MAKE YOUR OBJECTION, YOU WILL HAVE WAIVED ALL OBJECTIONS AND YOU WILL NOT BE ABLE TO APPEAL FROM ANY FINAL JUDGMENT APPROVING THE SETTLEMENT.

If you submit a written objection, you may appear at the Settlement Fairness Hearing, either in person or through personal counsel hired at your expense, to object to the Settlement, the Plan of Allocation, Plaintiffs' Counsel's request for an award of attorneys' fees and expenses, and service awards to Class Representatives. You are not required, however, to appear and the Court will still consider your objection.

17. What is the difference between excluding myself and objecting to the Settlement?

Objecting is simply telling the Court that you do not like something about the Settlement, the Plan of Allocation, the requested award of attorneys' fees and expenses and/or the service awards to Class Representatives. You can object only if you do not seek exclusion from the Class. Excluding yourself is telling the Court that you don't want to be part of the case. If you exclude yourself, you have no basis to object because the Settlement no longer affects you. You may not submit a Proof of Claim if you exclude yourself. But you may submit a Proof of Claim even if you submit an objection.

18. What is the Settlement Fairness Hearing?

The Court has preliminarily approved the Settlement and will hold a hearing to decide whether to give final approval to the Settlement. The purpose of the Settlement Fairness Hearing will be for the Court to determine whether the Settlement should be approved as fair, reasonable, and adequate, to consider the Plan of Allocation, to consider the award of attorneys' fees and expenses to Plaintiffs' Counsel, and to consider the request for service awards to the Class Representatives.

19. When and where is the Settlement Fairness Hearing?

On **[insert date of hearing]** at **[insert time of hearing]**, a hearing will be held on the fairness of the proposed Settlement. At the hearing, the Court will be available to hear any objections and arguments concerning the proposed Settlement's fairness, the Plan of Allocation's fairness, the fairness of Plaintiffs' Counsel's request for an award of attorneys' fees and expenses, and the fairness of the service awards to Class Representatives. The hearing will take place in Department 613 of the San Francisco County Superior Court, located at the Civic Center Courthouse, 400 McAllister Street, San Francisco, CA 94102.

The hearing may be postponed to a different date or time or location without notice. Please check www.ArcimotoSecuritiesLitigation.com or call Rick Nelson, a representative of Plaintiffs' Settlement Counsel, toll-free at 1-800-449-4900 for any updates about the Settlement Fairness Hearing specifically. If the date or time of the Settlement Fairness Hearing changes, an update to the Settlement website or a call to Mr. Nelson will be the only way you will be informed of the change.

20. May I speak at hearing?

At the hearing, the Court will be available to hear any objections and arguments concerning the fairness of the Settlement, the Plan of Allocation, Plaintiffs' Settlement Counsel's request for an award of attorneys' fees and expenses and Class Representative service awards.

You may attend, but you do not have to and the Court will still consider your objection.

If you request exclusion from the Class, however, you will not be allowed to speak at the Settlement Fairness Hearing.

21. How do I get more information?

To obtain a copy of the Stipulation, the other briefs and declarations submitted to the Court in support of preliminary approval of the Settlement, the Court's Order Preliminarily Approving Settlement and Providing for Notice, and the operative complaint filed in the Litigation, or to access the Proof of Claim, you can visit the Settlement website located at www.ArcimotoSecuritiesLitigation.com. In addition, the papers in support of final approval of the Settlement, the Plan of Allocation and the request for an award of attorneys' fees and expenses will be posted to the website after they are filed on **[insert date]**.

Alternatively, you may contact the Claims Administrator by telephone at 1-866-446-3940, or by mail at: *Arcimoto Securities Litigation*, Claims Administrator, c/o Gilardi & Co. LLC, P.O. Box 404132, Louisville, KY 40233-4132.

This description of the Litigation is general and does not cover all of the issues and proceedings that have occurred. In order to see the complete file, you may access the file online at www.sfsuperiorcourt.org/online-services and enter Case No. CGC-18-564904. You may also visit the Clerk's office at the San Francisco County Superior Court, located at the Civic Center Courthouse, 400 McAllister Street, San Francisco, CA 94102 during business hours to view the electronic case file.

You may also contact a representative of Plaintiffs' Settlement Counsel: Rick Nelson, Shareholder Relations, Robbins Geller Rudman & Dowd LLP, 655 West Broadway, Suite 1900, San Diego, CA 92101, 1-800-449-4900 for more information about the Settlement or the Litigation.

<p>22. What if my address or other information has changed or changes after I submit a Proof of Claim?</p>

It is your responsibility to inform the Claims Administrator of your updated information. You may do so at the address or email address below:

Arcimoto Securities Litigation
Claims Administrator
c/o Gilardi & Co. LLC
P.O. Box 404132
Louisville, KY 40233-4132
E-mail: classact@gilardi.com

DO NOT ADDRESS ANY QUESTIONS ABOUT THE SETTLEMENT OR THE LITIGATION TO THE CLERK OF THE COURT OR THE JUDGE.

SPECIAL NOTICE TO BANKS, BROKERS, AND OTHER NOMINEES

If you hold any Arcimoto common shares purchased between June 22, 2017 and September 21, 2017, inclusive, as a nominee for a beneficial owner, then, within ten (10) days after you receive this Notice, you must either: (1) send a copy of this Notice by First-Class Mail to all such Persons; or (2) provide a list of the names and addresses of such Persons to the Claims Administrator:

Arcimoto Securities Litigation
Claims Administrator
c/o Gilardi & Co. LLC
P.O. Box 404132
Louisville, KY 40233-4132
Telephone: 1-866-446-3940
E-mail: classact@gilardi.com
www.ArcimotoSecuritiesLitigation.com

If you choose to mail the Notice and Proof of Claim yourself, you may obtain from the Claims Administrator (without cost to you) as many additional copies of these documents as you will need to complete the mailing.

Regardless of whether you choose to complete the mailing yourself or elect to have the mailing performed for you, you may obtain reimbursement for or advancement of reasonable administrative costs actually incurred or expected to be incurred in connection with forwarding the Notice and which would not have been incurred but for the obligation to forward the Notice, upon submission of appropriate documentation to the Claims Administrator.

DATED: _____ NOTICE IS BEING SENT PURSUANT TO COURT ORDER

EXHIBIT B

PROOF OF CLAIM AND RELEASE

Switzer v. W.R. Hambrecht & Co., LLC, et al.,
San Francisco County Superior Court
Lead Case No. CGC-18-564904

GENERAL INSTRUCTIONS

1. To recover as a Class Member based on your claims in the action entitled *Switzer v. W.R. Hambrecht & Co., LLC, et al.*, Lead Case No. CGC-18-564904 (the “Action”), you must complete and, on page ___ hereof, sign this Proof of Claim and Release (“Proof of Claim”).¹ If you fail to submit a properly addressed (as set forth in paragraph 3 below) Proof of Claim, your claim may be rejected and you may be precluded from any recovery from the Net Settlement Fund created in connection with the proposed Settlement.

2. Submission of this Proof of Claim, however, does not assure that you will share in the proceeds of the Settlement of the Action.

3. **YOU MUST MAIL OR SUBMIT ONLINE YOUR COMPLETED AND SIGNED PROOF OF CLAIM, ACCOMPANIED BY COPIES OF THE DOCUMENTS REQUESTED HEREIN, ON OR BEFORE _____, 2019, ADDRESSED AS FOLLOWS:**

Arcimoto Securities Litigation
Claims Administrator
c/o Gilardi & Co. LLC
P.O. Box 404132
Louisville, KY 40233-4132
www.ArcimotoSecuritiesLitigation.com

You are a Class Member if you purchased Arcimoto common stock between June 22, 2017 and September 21, 2017, unless you are a Defendant in the Action, or a member of their families, an officer, director or affiliate of a Defendant, a member of their immediate family or a legal representative, heir, successor or assign, or any entity in which a Defendant has or had a controlling interest. You are also not a Class Member if you requested exclusion from the Class. **IF YOU ARE NOT A CLASS MEMBER DO NOT SUBMIT A PROOF OF CLAIM.**

¹ This Proof of Claim incorporates by reference the definitions in the Amended Stipulation of Settlement (“Stipulation”) and the Notice of Proposed Class Action Settlement, which can be obtained at www.ArcimotoSecuritiesLitigation.com.

4. If you are a Class Member and you do not timely request exclusion from the Class, you are bound by the terms of any judgment entered in the Action, including the releases provided therein, **WHETHER OR NOT YOU SUBMIT A PROOF OF CLAIM.**

I. CLAIMANT IDENTIFICATION

If you purchased Arcimoto common stock in Arcimoto's IPO between June 22, 2017 and September 21, 2017, inclusive, use Part I of this form entitled "Claimant Identification" to list the claimant name, mailing address, and account information if relevant (such as for a claim submitted on behalf of an IRA Trust or estate account). Please list the most current claimant or account name as you would like the information to appear on the check, if eligible for payment. Please also provide a telephone number and/or e-mail address, as the Claims Administrator may need to contact you with questions about the claim submitted. If your Claimant Information changes, please notify the Claims Administrator in writing at the address above or email classact@gilardi.com.

All joint purchasers must sign this claim. Executors, administrators, guardians, conservators, and trustees must complete and sign this claim on behalf of persons represented by them and their authority must accompany this claim and their titles or capacities must be stated. Such evidence would include, for example, letters testamentary, letters of administration, or a copy of the trust documents or other documents which provide you with the authority to submit the claim. Please also indicate your representative capacity under your signature on page __ of this Proof of Claim.

II. CLAIM FORM

Use Part II of this form entitled "Schedule of Transactions in Arcimoto Common Stock" to supply all required details of your transaction(s). If you need more space or additional schedules, attach separate sheets giving all of the required information in substantially the same form. Sign and print or type your name on each additional sheet.

On the schedules, provide all of the requested information with respect to **all** of your purchases of Arcimoto's common stock which took place between June 22, 2017 and September 21, 2017, inclusive, and **all** of your sales of Arcimoto common stock which took place from September 21, 2017 to August __, 2019, inclusive, whether such transactions resulted in a profit or loss. You must also provide all of the requested information with respect to **all** of the shares of Arcimoto common stock you

held at the close of trading on August __, 2019. Failure to report all such transactions may result in the rejection of your claim.

List each transaction separately and in chronological order, by trade date, beginning with the earliest. You must accurately provide the month, day, and year of each transaction you list.

The date of covering a “short sale” is deemed to be the date of purchase of Arcimoto common stock. The date of a “short sale” is deemed to be the date of sale of Arcimoto common stock.

COPIES OF BROKER CONFIRMATIONS, ACCOUNT STATEMENTS OR OTHER DOCUMENTATION WHICH EVIDENCE YOUR TRANSACTIONS IN ARCIMOTO COMMON STOCK SHOULD BE ATTACHED TO YOUR CLAIM. FAILURE TO PROVIDE THIS DOCUMENTATION COULD DELAY VERIFICATION OF YOUR CLAIM OR RESULT IN REJECTION OF YOUR CLAIM.

NOTICE REGARDING ELECTRONIC FILES: Certain claimants with large numbers of transactions may request, or may be requested, to submit information regarding their transactions in electronic files. All such claimants MUST also submit a manually signed paper Proof of Claim whether or not they also submit electronic copies. If you wish to submit your claim electronically, you must contact the Claims Administrator at edata@gilardi.com to obtain the required file layout. No electronic files will be considered to have been properly submitted unless the Claims Administrator issues to the claimant a written acknowledgment of receipt and acceptance of electronically submitted data.

SUPERIOR COURT OF THE STATE OF CALIFORNIA

COUNTY OF SAN FRANCISCO

Switzer v. W.R. Hambrecht & Co., LLC, et al.

Lead Case No. CGC-18-564904

PROOF OF CLAIM AND RELEASE

Must Be Postmarked (if Mailed) or Received (if Submitted Online) No Later Than:

_____, 2019

Please Type or Print

REMEMBER TO ATTACH COPIES OF BROKER CONFIRMATIONS OR OTHER DOCUMENTATION OF YOUR TRANSACTIONS IN ARCIMOTO COMMON STOCK. FAILURE TO PROVIDE THIS DOCUMENTATION COULD DELAY VERIFICATION OF YOUR CLAIM OR RESULT IN REJECTION OF YOUR CLAIM.

PART I: CLAIMANT IDENTIFICATION

Last Name	M.I.	First Name
<input type="text"/>	<input type="text"/>	<input type="text"/>
Last Name (Co-Beneficial Owner)	M.I.	First Name (Co-Beneficial Owner)
<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="radio"/> IRA <input type="radio"/> Joint Tenancy <input type="radio"/> Employee <input type="radio"/> Individual <input type="radio"/> Other _____ (specify)		
Company Name (Beneficial Owner - If Claimant is not an Individual) or Custodian Name if an IRA		
<input type="text"/>		
Trustee/Asset Manager/Nominee/Record Owner's Name (If Different from Beneficial Owner Listed Above)		
<input type="text"/>		
Account#/Fund# (Not Necessary for Individual Filers)		
<input type="text"/>		

Social Security Number	or	Taxpayer Identification Number
<input type="text"/> - <input type="text"/> - <input type="text"/>		<input type="text"/> - <input type="text"/>
Telephone Number (Primary Daytime)		Telephone Number (Alternate)
<input type="text"/> - <input type="text"/> - <input type="text"/>		<input type="text"/> - <input type="text"/> - <input type="text"/>
Email Address		
<input type="text"/>		

MAILING INFORMATION

Address		
<input type="text"/>		
Address		
<input type="text"/>		
City	State	Zip Code
<input type="text"/>	<input type="text"/>	<input type="text"/>
Foreign Province	Foreign Postal Code	Foreign Country Name/Abbreviation
<input type="text"/>	<input type="text"/>	<input type="text"/>

PART II: SCHEDULE OF TRANSACTIONS IN ARCIMOTO COMMON STOCK

A. Purchases of Arcimoto common stock (June 22, 2017 – September 21, 2017, inclusive):

Trade Date(s) Month Day Year (List chronologically)	Number of Shares Purchased	Total Purchase Price (Excluding commissions, taxes and fees)	Proof of Purchase Enclosed
1. _____	1. _____	1. _____	<input type="checkbox"/> Y <input type="checkbox"/> N
2. _____	2. _____	2. _____	<input type="checkbox"/> Y <input type="checkbox"/> N
3. _____	3. _____	3. _____	<input type="checkbox"/> Y <input type="checkbox"/> N

IMPORTANT: If any purchase listed covered a “short sale,” please mark Yes: Yes

B. Sales of Arcimoto common stock (September 21, 2017 – August __, 2019, inclusive):

Trade Date Month Day Year (List chronologically)	Number of Shares Sold	Total Sales Price (Excluding commissions, taxes and fees)	Proof of Sale Enclosed
1. _____	1. _____	1. _____	<input type="checkbox"/> Y <input type="checkbox"/> N
2. _____	2. _____	2. _____	<input type="checkbox"/> Y <input type="checkbox"/> N
3. _____	3. _____	3. _____	<input type="checkbox"/> Y <input type="checkbox"/> N

C. Number of shares of Arcimoto common stock held at the close of trading on August __, 2019. Proof Enclosed
 Yes No

YOU MUST READ AND SIGN THE RELEASE ON PAGE __. FAILURE TO SIGN THE RELEASE MAY RESULT IN A DELAY IN PROCESSING OR THE REJECTION OF YOUR CLAIM.

III. SUBMISSION TO JURISDICTION OF COURT AND ACKNOWLEDGMENTS

I (We) submit this Proof of Claim under the terms of the Stipulation described in the Notice. I (We) also submit to the jurisdiction of the Superior Court of the State of California, County of San Francisco, with respect to my (our) claim as a Class Member and for purposes of enforcing the release set forth herein. I (We) further acknowledge that I am (we are) bound by and subject to the terms of any judgment that may be entered in the Action. I (We) agree to furnish additional information to the Claims Administrator to support this claim if requested to do so. I (We) have not submitted any other claim covering the same purchases or sales of Arcimoto common stock during the relevant period and know of no other person having done so on my (our) behalf.

IV. RELEASE

1. I (We) hereby acknowledge full and complete satisfaction of, and do hereby fully, finally, and forever settle, release, and discharge from the Settled Claims each and all of the “Released Parties,” defined as Defendants and each and all of their Related Parties, as fully set out in the Stipulation.

2. I (We) hereby warrant and represent that I (we) have not assigned or transferred or purported to assign or transfer, voluntarily or involuntarily, any matter released pursuant to this release or any other part or portion thereof.

3. I (We) hereby warrant and represent that I (we) have included information about all of my (our) transactions in Arcimoto common stock which occurred during the relevant period as well as the number of shares of Arcimoto common stock held by me (us) at the close of trading on August __, 2019.

I (We) declare under penalty of perjury under the laws of the State of California that all of the foregoing information supplied on this Proof of Claim by the undersigned is true and correct.

Executed this _____ day of _____
(Month/Year)

in _____
(City) (State/Country)

(Sign your name here)

(Sign your name here)

(Type or print your name here)

(Type or print your name here)

(Capacity of person(s) signing,
e.g., Beneficial Purchaser,
Executor or Administrator)

(Capacity of person(s) signing,
e.g., Beneficial Purchaser,
Executor or Administrator)

**ACCURATE CLAIMS PROCESSING TAKES A
SIGNIFICANT AMOUNT OF TIME.
THANK YOU FOR YOUR PATIENCE.**

Reminder Checklist:

1. Please sign the above release and acknowledgment.
2. Remember to attach copies of supporting documentation.
3. **Do not send** originals of certificates or other documentation as they will not be returned.
4. Keep a copy of your Proof of Claim and all supporting documentation for your records.
5. If you desire an acknowledgment of receipt of your Proof of Claim, please send it Certified Mail, Return Receipt Requested.
6. If you move, please send your new address to the address or email address below.
7. **Do not use red pen or highlighter** on the Proof of Claim or supporting documentation.

**THIS PROOF OF CLAIM MUST BE SUBMITTED ONLINE OR IF MAILED
POSTMARKED NO LATER THAN _____, 2019, ADDRESSED AS FOLLOWS:**

Arcimoto Securities Litigation
Claims Administrator
c/o Gilardi & Co. LLC
P.O. Box 404132
Louisville, KY 40233-4132
www.ArcimotoSecuritiesLitigation.com
classact@gilardi.com

EXHIBIT C

SUMMARY NOTICE OF PROPOSED CLASS ACTION SETTLEMENT

Switzer v. W.R. Hambrecht & Co., LLC, et al.,
San Francisco County Superior Court
Lead Case No. CGC-18-564904

TO: ALL PERSONS WHO PURCHASED ARCIMOTO, INC. (“ARCIMOTO”) COMMON STOCK IN ARCIMOTO’S INITIAL PUBLIC OFFERING BETWEEN JUNE 22, 2017 AND SEPTEMBER 21, 2017, INCLUSIVE (“CLASS” OR “CLASS MEMBERS”)

YOU ARE HEREBY NOTIFIED that a hearing will be held on _____, 2019, at _____.m., in Department 613 of the Superior Court of California, County of San Francisco (the “Court”), located at 400 McAllister Street, San Francisco, CA 94102, to determine whether: (1) the proposed settlement (the “Settlement”) of the above-captioned action as set forth in the Amended Stipulation of Settlement (“Stipulation”)¹ for \$2,450,000 in cash should be approved by the Court as fair, reasonable and adequate; (2) the Plan of Allocation should be approved by the Court as fair, reasonable and adequate; (3) to award Plaintiffs’ Counsel attorneys’ fees and expenses out of the Settlement Fund (as defined in the Notice of Proposed Class Action Settlement (“Notice”), which is discussed below); and (4) to pay awards to Class Representatives in connection with their representation of the Class out of the Settlement Fund.

This Action is a securities class action brought on behalf of those Persons who purchased the common stock of Arcimoto between June 22, 2017 and September 21, 2017, inclusive, in connection with Arcimoto’s September 21, 2017 initial public offering (“IPO”) and against Arcimoto, certain of its executives, directors, and the underwriter of Arcimoto’s IPO (collectively, “Defendants”) for, among other things, allegedly misstating and omitting material facts from the Prospectus filed with the U.S. Securities and Exchange Commission in connection with the IPO. More specifically, Class Representatives allege that the Prospectus was materially misleading and omitted other material facts concerning Arcimoto’s then-existing production capabilities of its three-wheeled electric vehicle. Defendants deny all of Class Representatives’ allegations. Defendants expressly have denied and continue to deny all charges of wrongdoing or liability against them arising out of any of the conduct, statements, acts, or omissions alleged, or that could have been alleged, in the Litigation, and also have

¹ The Stipulation, and other relevant documents related to the Settlement, can be viewed and/or obtained at www.ArcimotoSecuritiesLitigation.com.

denied and continue to deny the allegations that Plaintiffs or Class Members have suffered damage, or were otherwise harmed by the conduct alleged in the Litigation. The Court has not ruled on the merits of Plaintiffs' claims or Defendants' defenses.

IF YOU PURCHASED ARCIMOTO COMMON STOCK BETWEEN JUNE 22, 2017 AND SEPTEMBER 21, 2017, INCLUSIVE, YOUR RIGHTS WILL BE AFFECTED BY THE SETTLEMENT OF THIS ACTION.

To share in the distribution of the Net Settlement Fund, you must establish your rights by submitting a Proof of Claim and Release form ("Proof of Claim") by mail (**postmarked no later than _____, 2019**) to:

Arcimoto Securities Litigation
Claims Administrator
c/o Gilardi & Co. LLC
P.O. Box 404132
Louisville, KY 40233-4132

or electronically (**no later than _____, 2019**) at www.ArcimotoSecuritiesLitigation.com. Your failure to submit your Proof of Claim by _____, 2019, will subject your claim to possible rejection and may preclude you from receiving any of the recovery in connection with the Settlement of this Action. If you are a member of the Class and do not request exclusion therefrom, you will be bound by the Settlement and any judgment and release entered in the Litigation, including, but not limited to, the Final Judgment, whether or not you submit a Proof of Claim. Plaintiffs' Settlement Counsel represents you and other members of the Class. If you want to be represented by your own lawyer, you may hire one at your expense.

If you have not received a copy of the Notice, which includes the precise Class definition and exceptions to Class membership and more completely describes the Settlement and your rights thereunder (including your right to object to the Settlement or opt out of the Class), and a Proof of Claim, you may obtain these documents, as well as a copy of the Stipulation (which, among other things, contains definitions for the defined terms used in this Summary Notice), other briefs and declarations submitted to the Court in support of preliminary approval of the Settlement, the Court's Order Preliminarily Approving Settlement and Providing for Notice, and the operative complaint filed in the Action, online at www.ArcimotoSecuritiesLitigation.com, or by writing to:

Arcimoto Securities Litigation
c/o Gilardi & Co. LLC
P.O. Box 404132
Louisville, KY 40233-4132

In addition, the papers in support of final approval of the Settlement will be posted to the website after they are filed on **[DATE]**.

Inquiries should NOT be directed to Defendants, the Court, or the Clerk of the Court.

Inquiries, other than requests for the Notice or for a Proof of Claim, may be made to a representative of Plaintiffs' Settlement Counsel:

ROBBINS GELLER RUDMAN & DOWD LLP
Rick Nelson
Shareholder Relations
655 West Broadway, Suite 1900
San Diego, CA 92101
Telephone: 800/449-4900

ALL MEMBERS OF THE CLASS WHO DO NOT REQUEST EXCLUSION FROM THE CLASS IN ACCORDANCE WITH THE INSTRUCTIONS SET FORTH IN THE NOTICE WILL BE BOUND BY THE SETTLEMENT EVEN IF THEY DO NOT SUBMIT A TIMELY PROOF OF CLAIM.

IF YOU ARE A CLASS MEMBER, YOU HAVE THE RIGHT TO OBJECT TO THE SETTLEMENT, THE PLAN OF ALLOCATION, THE REQUEST BY CLASS COUNSEL FOR AN AWARD OF ATTORNEYS' FEES AND EXPENSES, AND/OR THE AWARDS TO CLASS REPRESENTATIVES. ANY OBJECTION MUST BE SENT TO THE CLAIMS ADMINISTRATOR AT THE FOLLOWING ADDRESS:

ARCIMOTO SECURITIES LITIGATION
OBJECTIONS
c/o GILARDI & CO. LLC
P.O. Box 404132
Louisville, KY 40233-4132

POSTMARKED NO LATER THAN _____, 2019, AND IN THE MANNER AND FORM EXPLAINED IN THE NOTICE:

DATED: _____ NOTICE SENT PURSUANT TO COURT ORDER

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DECLARATION OF SERVICE BY MAIL AND EMAIL

I, the undersigned, declare:

1. That declarant is and was, at all times herein mentioned, a citizen of the United States and a resident of the County of San Diego, over the age of 18 years, and not a party to or interested party in the within action; that declarant's business address is 655 West Broadway, Suite 1900, San Diego, California 92101.

2. That on August 8, 2019, declarant served the AMENDED STIPULATION OF SETTLEMENT by depositing a true copy thereof in a United States mailbox at San Diego, California in a sealed envelope with postage thereon fully prepaid and addressed to the parties listed on the attached Service List.

3. That there is a regular communication by mail between the place of mailing and the places so addressed.

4. This document was also served via email on all parties listed on the attached Service List.

I declare under penalty of perjury that the foregoing is true and correct. Executed on August 8, 2019, at San Diego, California.



JACLYN WILLIAMS

SERVICE LIST

Switzer v. W.R. Hambrecht & Co., LLC, Lead Case No. CGC-18-564904 (Super. Ct., S.F. Cty.)
(Consolidated with No. CGC-18-565324)

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