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Lori Bush, John M. Clayton,
L. White Matthews, and Michael Zeher.

18 **IN THE SUPERIOR COURT OF THE STATE OF ARIZONA**
19 **IN AND FOR THE COUNTY OF MARICOPA**

20 FLOYD SCHNEIDER, individually and on
21 behalf of all others similarly situated,

22 Plaintiff,

23 v.

24 WILLIAM HEMELT, WILLIAM C. EGAN,
25 SAMUEL COWLEY, LORI BUSH, JOHN
26 M. CLAYTON, L. WHITE MATTHEWS,
27 MICHAEL ZEHER, MATRIX
28 INITIATIVES, INC., WONDER HOLDINGS
ACQUISITION CORP., and WONDER
HOLDINGS, INC.,

Defendants.

Case No. CV2011-050036
CLASS ACTION
Complex Civil Case

STIPULATION OF SETTLEMENT

(Assigned to the Hon. Arthur Anderson)

1 The parties to the above-captioned putative class action (the “Action”), by and
2 through their respective attorneys, have entered into the following Stipulation of
3 Settlement (the “Stipulation”). This Stipulation is intended by the Settling Parties (as
4 defined below in ¶ 1.12) to fully, finally and forever resolve, discharge and settle the
5 Released Claims (as defined below in ¶ 1.10), upon and subject to the terms and conditions
6 stated herein, subject to the approval of the Superior Court for the State of Arizona in
7 Maricopa County (the “Court”). The settlement contemplated by this Stipulation is
8 referred to herein as the “Settlement.”

9 **WHEREAS**, there is a putative class action lawsuit currently pending in the Court,
10 entitled *Floyd Schneider v. William Hemelt, William C. Egan, Samuel Cowley, Lori Bush,*
11 *John M. Clayton, L. White Matthews, Michael Zeher, Matrixx Initiatives, Inc., Wonder*
12 *Holdings Acquisition Corp., and Wonder Holdings, Inc.*, Case. No. CV2011-050036 (the
13 “Action”). In the Action, Plaintiff (as defined in ¶ 1.9) alleges that Matrixx Initiatives, Inc.
14 (“Matrixx”), the members of its Board of Directors (the “Board”) (collectively with
15 Matrixx the “Matrixx Defendants”), and Wonder Holdings Acquisition Corp. and Wonder
16 Holdings, Inc. (collectively, “Wonder”), affiliates of H.I.G. Capital, LLC (“H.I.G.”)
17 (Wonder and the Matrixx Defendants are collectively referred to as the “Defendants”)
18 breached their fiduciary obligations to the Class (defined below in ¶ 1.1), or aided and
19 abetted the breach of such duties;

20 **WHEREAS**, on December 14, 2010, Matrixx and H.I.G. announced that they had
21 entered into a December 14, 2010, Agreement and Plan of Merger (the “Merger
22 Agreement”) pursuant to which H.I.G., through Wonder, would commence a tender offer
23 to purchase each outstanding share of Matrixx common stock, and the associated preferred
24 stock purchase rights, at a price of \$8.00 per share (the “Tender Offer”), as set forth in the
25 Schedule TO filed with the Securities and Exchange Commission (the “SEC”) on
26 December 22, 2010;

27
28

1 **WHEREAS**, on December 22, 2010, Matrixx filed with the SEC a Schedule 14D-9
2 disclosing the Board’s unanimous recommendation that Matrixx stockholders accept the
3 Tender Offer and tender their shares (the “Recommendation Statement”);

4 **WHEREAS**, the Action was filed on January 7, 2011, purportedly on behalf of the
5 Class, challenging the Tender Offer and challenging the related actions of Matrixx, the
6 Board, and Wonder. The complaint in the Action alleged, among other things, that
7 Matrixx and the Board breached their fiduciary duties owed to Plaintiff in connection with
8 the Tender Offer and other related corporate activities, including claims regarding the
9 Recommendation Statement and other public disclosures concerning the Tender Offer and
10 Merger Agreement. Additionally, the complaint alleged that the \$8.00 per share price of
11 the Tender Offer was inadequate. The complaint also alleged that Wonder aided and
12 abetted the alleged breaches of fiduciary duties by Matrixx and the Board;

13 **WHEREAS**, on January 19, 2011, Matrixx filed with the SEC a Schedule TO and
14 Schedule 14D-9 announcing that the expiration date of the Tender Offer had been
15 extended from 11:59 p.m. New York City time on January 24, 2011, to 5:00 p.m. New
16 York City time on January 31, 2011;

17 **WHEREAS**, on January 21, 2011, Matrixx filed with the SEC a Schedule 14D-9
18 summarizing the results of the “go-shop” period that was scheduled to conclude at 11:59
19 p.m. New York City time on January 22, 2011;

20 **WHEREAS**, on February 2, 2011, Matrixx filed with the SEC a Schedule 14D-9
21 announcing that H.I.G. had increased its Tender Offer price to \$8.75 per share;

22 **WHEREAS**, the Schedule 14D-9 filed by Matrixx with the SEC on February 2,
23 2011, further announced that the Tender Offer had been extended from 5:00 p.m. New
24 York City time on January 31, 2011 to 11:59 p.m. New York City time on February 14,
25 2011;

26 **WHEREAS**, on February 15, 2011, Matrixx filed with the SEC a Schedule 14d-9
27 disclosing that the Tender Offer closed at 11:59 p.m., New York City time, on Monday,
28 February 14, 2011, and that it had commenced a subsequent offering period to acquire all

1 remaining untendered shares that would expire at 11:59 p.m., New York City time, on
2 Thursday, February 17, 2011.

3 **WHEREAS**, on February 18, 2011, Matrixx filed with the SEC a Schedule 14d-9
4 disclosing that the subsequent offering period expired at 11:59 p.m., New York City time,
5 on Thursday, February 17, 2011.

6 **WHEREAS**, the Schedule 14d-9 that Matrixx filed with the SEC on February 18,
7 2011, further disclosed that, on February 18, 2011, pursuant to the terms of the Merger
8 Agreement, Wonder exercised a top-up option to purchase, at a per share price equal to the
9 Tender Offer price, 19,785,355 “Top-Up Shares,” which brought Wonder’s ownership of
10 Matrixx’s common stock, when combined with the shares acquired by Matrixx during the
11 Tender Offer, to more than 90% of the outstanding shares after such purchase.

12 **WHEREAS**, the Schedule 14d-9 that Matrixx filed with the SEC on February 18,
13 2011, further disclosed that, on February 18, 2011, in accordance with the Merger
14 Agreement, Wonder effected a short-form merger without the need for a meeting of, or any
15 action by, Matrixx’s stockholders and that each outstanding share not tendered in the
16 Tender Offer was converted into the right to receive a cash payment in an amount equal to
17 the Tender Offer price.

18 **WHEREAS**, Plaintiff in the Action, through Plaintiff’s Counsel (as defined below
19 in ¶ 1.8), challenged, among other things, certain disclosures contained in the
20 Recommendation Statement and requested that the Court issue a temporary restraining
21 order enjoining the Tender Offer from being completed;

22 **WHEREAS**, counsel for the Matrixx Defendants and Plaintiff’s Counsel have
23 engaged in arm’s-length negotiations concerning a possible settlement of the Action;

24 **WHEREAS**, on or about February 14, 2011, the parties reached an agreement in
25 principle, as set forth in a memorandum of understanding (the “MOU”), providing for the
26 Settlement of the Action between and among Plaintiff, on behalf of himself and the
27 putative Class, and Defendants, on the terms and subject to the conditions set forth below;

28

1 **WHEREAS**, for settlement purposes only, Defendants have consented to the
2 conditional certification of the Action as a class action pursuant to Arizona Rule of Civil
3 Procedure Rule 23 as described in Paragraph 2.2, below;

4 **WHEREAS**, Plaintiff, through his counsel, has undertaken and completed a
5 thorough investigation of the claims and allegations asserted in the Action, which included
6 reviewing public filings and various non-public documents produced by Defendants and
7 Matrixx's financial advisor and conducting interviews of (1) Michael Rabin of Sawaya
8 Segalas, Matrixx's financial advisor, and (2) Samuel Cowley, a member of the Matrixx's
9 board of directors;

10 **WHEREAS**, all parties recognize the time and expense that would be incurred by
11 further litigation in this matter and the uncertainties inherent in such litigation and agree
12 that the interests of the parties would best be served by a settlement of the litigation herein;

13 **WHEREAS**, in evaluating the Settlement provided for herein, Plaintiff and
14 Plaintiff's Counsel have considered: (i) the benefits to the members of the Class from the
15 Settlement; (ii) the facts developed during discovery; (iii) the attendant risks of continued
16 litigation and the uncertainty of the outcome of the Action; (iv) the probability of success
17 on the merits and the allegations contained in the Action, including the uncertainty relating
18 to the proof of those allegations; (v) the desirability of permitting the Settlement to be
19 consummated as provided by the terms of this Stipulation; and (vi) the conclusion of
20 Plaintiff's Counsel that the terms and conditions of the Settlement are fair, reasonable,
21 adequate and in the best interests of Plaintiff and the Class;

22 **WHEREAS**, Defendants, as a group and individually, have at all times denied, and
23 continue to deny, that any further disclosures were needed and that any of them have
24 committed, or have threatened to commit, any wrongful acts or violations of law of any
25 nature whatsoever or have in any way breached any fiduciary or other duty in connection
26 with (i) any of the matters alleged, or which could have been alleged in the Action; (ii) any
27 matter related in any way to the Merger Agreement or the transaction contemplated by it;
28 or (iii) any other aspect of the dealings between or among Matrixx, its Board, and Wonder.

1 The Defendants are entering into this Stipulation solely because the proposed Settlement
2 will eliminate the burden, risk and expense of further litigation.

3 **NOW, THEREFORE, IT IS HEREBY STIPULATED AND AGREED** by and
4 among the Settling Parties (defined below in ¶ 1.12), by and through their respective
5 attorneys, subject to the approval of the Court, and for good and valuable consideration set
6 forth below, that the Action shall be finally and fully compromised, settled, and released
7 and shall be dismissed with prejudice and on the merits, as to all Settling Parties on the
8 following terms and conditions:

9 **1 DEFINITIONS**

10 1.1 “Class” means all common stockholders of Matrixx, other than Defendants,
11 from December 14, 2010, through and including February 18, 2011, including any and all
12 of their respective successors in interest, predecessors, representatives, trustees, executors,
13 administrators, heirs, assigns or transferees, immediate and remote, and any person or
14 entity acting for or on behalf of, or claiming under, any of them, and each of them.

15 1.2 “Effective Date” means the first date on which all of the events specified in
16 ¶ 6.1 of the Stipulation have occurred.

17 1.3 “Final” means: occurring on the later of (i) the date of final affirmance on an
18 appeal of any judgment or order, the expiration of the time for a petition for or a denial of a
19 writ of certiorari to review such judgment or order, and, if certiorari is granted, the date of
20 final affirmance of such judgment or order following review pursuant to that grant; or
21 (ii) the date of final dismissal of any appeal from such judgment or order or the final
22 dismissal of any proceeding on certiorari to review such judgment or order; or (iii) if no
23 appeal is filed, the expiration date of the time for the filing or noticing of any appeal from
24 such judgment or order.

25 1.4 “Final Approval” means the date on which the Judgment approving the
26 Settlement is entered by the Court pursuant to Rule 58 of the Arizona Rules of Civil
27 Procedure.

28

1 1.5 “Final Approval Hearing” means the hearing at which the Court will
2 consider, among other things, whether to finally approve the Settlement as fair, reasonable,
3 and adequate and in the best interest of the Class, whether to certify the Class for the
4 purposes of the Settlement, and whether to grant Plaintiff’s Counsel’s request for Fees and
5 Expenses (defined below in ¶ 5.1).

6 1.6 “Judgment” means the judgment to be rendered by the Court substantially in
7 the form of Exhibit B annexed to this Stipulation.

8 1.7 “Person” means an individual, corporation, partnership, limited partnership,
9 association, joint stock company, estate, legal representative, attorney, trust,
10 unincorporated association, government or any political subdivision or agency thereof and
11 any business or legal entity, and their spouses, heirs, predecessors, successors,
12 representatives or assignees.

13 1.8 “Plaintiff’s Counsel” means Levi & Korsinsky, LLP, 30 Broad Street, 15th
14 Floor, New York, New York 10004, and its attorneys and staff.

15 1.9 “Plaintiff” means Floyd Schneider.

16 1.10 “Released Claims” shall mean and include all claims, allegations, demands,
17 rights, actions or causes of action, rights, liabilities, damages, losses, obligations,
18 judgments, injunctions, suits, fees, expenses, costs, matters and issues of any kind or
19 nature whatsoever, whether known or unknown, contingent or absolute, suspected or
20 unsuspected, disclosed or undisclosed, hidden or concealed, matured or unmatured,
21 including but not limited to class, derivative, individual or other claims for negligence,
22 gross negligence, recklessness, breach of duty of care and/or loyalty, breach of fiduciary
23 duty, fraud, misrepresentation, mismanagement, breach of contract, and violations of any
24 state or federal securities laws or other statutes, rules or regulations, including “Unknown
25 Claims” (defined below in Paragraph 1.13), that have been, could have been, or in the
26 future can or might be asserted in the Action or in any court, tribunal or proceeding by or
27 on behalf of any member of the Class, whether individual, class, derivative, representative,
28 legal, equitable or any other type or in any other capacity, which have arisen, could have

1 arisen, arise now or hereafter arise out of, are based on, or relate in any manner to the
2 allegations, facts, events, transactions, matters, acts, occurrences, statements,
3 representations, misrepresentations, omissions, or any other matter, thing or cause
4 whatsoever, or any series thereof, embraced, involved or set forth in, or referred to or
5 otherwise related, directly or indirectly, in any way to, the Action or the subject matter of
6 the Action, and including without limitation any claims in any way related to: (i) the
7 Merger Agreement or Tender Offer or any amendment thereto; (ii) the adequacy of the
8 consideration being paid to Matrixx's stockholders in connection with the Merger
9 Agreement or Tender Offer or any amendment thereto; (iii) the fiduciary obligations of
10 any of the Defendants or Released Persons in connection with the Merger Agreement and
11 Tender Offer, or any amendment thereto, including any alleged deal protection devices;
12 (iv) the negotiations, due diligence, or other activities in connection with the Merger
13 Agreement and Tender Offer or any amendment thereto; and (v) the disclosures or
14 disclosure obligations of any of the Defendants or Released Persons in connection with the
15 Merger Agreement and Tender Offer or any amendment thereto (including the adequacy
16 and completeness of such disclosures); (vi) the alleged aiding and abetting of any breach of
17 fiduciary duty; (vii) any alleged improper benefit, conflict of interest, improper payments
18 of any remuneration or employment benefits to any individual made in connection with the
19 Merger Agreement and Tender Offer; and (viii) the allegations in the Action; provided
20 however, that the Released Claims shall not include the right of the Settling Parties to
21 enforce in the Court the terms of the Stipulation or any properly perfected claims for
22 appraisal.

23 1.11 "Released Person" means and includes any of the Defendants and/or their
24 respective parent entities, associates, affiliates or subsidiaries, and each and all of their
25 respective past, present or future officers, directors, stockholders, agents, representatives,
26 employees, attorneys, financial or investment advisors, advisors, consultants, accountants,
27 investment bankers, commercial bankers, trustees, engineers, agents, insurers, co-insurers
28 and reinsurers, heirs, executors trustees, general or limited partners or partnerships, limited

1 liability companies, members, heirs, executors, personal or legal representatives, estates,
2 administrators, predecessors, successors and assigns, and any members of any Board
3 member's immediate family or any trust of which any Board member is the settlor or
4 which is for the benefit of any Board member and/or members of his or her immediate
5 family, whether or not any such Released Persons were named, served with process or
6 appeared in the Action.

7 1.12 "Settling Parties" means Plaintiff, on behalf of himself and all members of
8 the Class, and Defendants William Hemelt, William C. Egan, Samuel Cowley, Lori Bush,
9 John M. Clayton, L. White Matthews, Michael Zeher, Matrixx Initiatives, Inc., Wonder
10 Holdings Acquisition Corp., and Wonder Holdings, Inc.

11 1.13 "Unknown Claims" means any claims, causes of action, damage or harm
12 which Plaintiff, or any Class member, do not know or suspect to exist in his, her or its
13 favor at the time of the release of the Released Claims in favor of the Plaintiff or any Class
14 member which, if known by him, her or it, might have affected his, her or its settlement
15 with and release of the Released Persons, or might have affected his, her or its decision not
16 to object to this Settlement. With respect to any and all Released Claims, the Settling
17 Parties stipulate and agree that, upon the Effective Date, Plaintiff shall expressly waive,
18 and each of the Class members shall be deemed to have and by operation of the Judgment
19 shall have expressly waived, the provisions, rights and benefits of California Civil Code §
20 1542, which provides:

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

28 Upon the Effective Date, Plaintiff shall expressly waive, and each of the Class
members shall be deemed to have and by operation of the Judgment shall have expressly
waived, any and all provisions, rights and benefits conferred by any law of any state or
territory of the United States, or principle of common law, federal law, international or

1 foreign law, which is similar, comparable or equivalent to California Civil Code § 1542.
2 Plaintiff or any Class member may hereafter discover facts in addition to or different from
3 those which they now know or believe to be true with respect to the subject matter of the
4 Released Claims; upon the Effective Date, Plaintiff and all Class members shall be deemed
5 to have, and by operation of the Judgment shall have, fully, finally and forever settled and
6 released any and all Released Claims, known or unknown, suspected or unsuspected,
7 contingent or non-contingent, whether or not concealed or hidden, which now exist or
8 heretofore have existed, upon any theory of law or equity now existing or coming into
9 existence in the future, including, but not limited to, conduct which is negligent,
10 intentional, with or without malice or a breach of any duty, law or rule, without regard to
11 the subsequent discovery or existence of such different or additional facts. Plaintiff
12 acknowledges, and the Class members shall be deemed by operation of the Judgment to
13 have acknowledged, that the foregoing waiver was separately bargained for and a key
14 element of the settlement of which this release is a part.

15 **2 TERMS OF THE SETTLEMENT**

16 2.1 In consideration for the dismissal and release of the Released Claims against
17 the Released Parties, and pursuant to the Settling Parties' agreement, Defendants agree that
18 the pendency of the Action and the efforts of Plaintiff and Plaintiff's Counsel were among
19 the factors considered by the Matrixx Defendants in connection with their determination to
20 file with the SEC, on January 21, 2011, a Schedule 14D-9 summarizing the results of the
21 "go-shop" period. Plaintiff and Plaintiff's Counsel agree that they will not seek additional
22 disclosures as a condition of this Settlement.

23 2.2 The Settling Parties agree that, for purposes of this Settlement only, the
24 Action should be conditionally certified as a consolidated class action pursuant to Arizona
25 Rule of Civil Procedure 23 on behalf of a non-opt-out class consisting of all members of
26 the Class.

27 2.3 The Settling Parties agree that the Settlement and Stipulation is subject to
28 Final Approval and will not be binding upon any party hereto until Final Approval and that

1 in the event the Judgment does not become final for any reason, Defendants reserve the
2 right to oppose certification of any class in future proceedings.

3 2.4 Pending Final Approval, the Settling Parties agree that, subject to order of
4 the Court, Plaintiff and all members of the Class, or any of them, are barred and enjoined
5 from commencing, prosecuting, instigating or in any way participating in the
6 commencement or prosecution of any action asserting any Released Claims, either
7 directly, representatively, derivatively, or in any other capacity, against any Released
8 Person. The Settling Parties agree further that, pending the Final Approval Hearing, all
9 other proceedings not directly related to the Final Approval Hearing or approval of the
10 Settlement or not initiated *sua sponte* by the Court, shall be stayed.

11 2.5 The Settling Parties agree that the Action was filed and prosecuted in good
12 faith.

13 2.6 The Settling Parties agree that upon Final Approval, the Action shall be
14 dismissed with prejudice.

15 **3 NOTICE ORDER AND FINAL APPROVAL HEARING**

16 3.1 As soon as practicable after execution of the Stipulation, Plaintiff's Counsel
17 shall submit this Stipulation together with its exhibits to the Court and apply for entry of an
18 order (the "Notice Order"), substantially in the form of Exhibit A annexed hereto,
19 requesting, *inter alia*, certification of the Class solely for purposes of the Settlement,
20 preliminary approval of the Settlement set forth in this Stipulation, and preliminary
21 approval of the form and content of the Notice of Pendency and Settlement of Class Action
22 (the "Notice"), substantially in the form of Exhibit A-1 annexed hereto. The Notice shall
23 include the general terms of the Settlement set forth in this Stipulation, the date of the
24 Final Approval Hearing, and the general terms of the attorneys' fee and expense
25 application.

26 3.2 Prior to the Final Approval Hearing, Matrixx, or its successor(s)-in-interest,
27 shall assume the administrative responsibility of providing Notice to the Class in
28 accordance with the Notice Order. Such Notice shall be provided to Matrixx's

1 shareholders, at Matrixx's expense, via a press release, posting of the Stipulation and
2 Notice on Matrixx's website, and publication of the Notice in Investor's Business Daily
3 within ten (10) days of the Court's issuance of the Notice Order. At least fourteen (14)
4 calendar days prior to the Final Approval Hearing, Matrixx shall serve on counsel for the
5 Plaintiff and file with the Court proof, by affidavit or declaration, of such filing, posting
6 and publication.

7 3.3 Plaintiff's Counsel shall request that, after the Notice is given, the Court hold
8 the Final Approval Hearing to: (i) approve the settlement of the Action; (ii) approve the
9 attorneys' fee and expense application; and (iii) enter a Judgment as set forth herein.

10
11 **4 RELEASES**

12 4.1 Upon the Effective Date, Plaintiff and each of the Class members shall be
13 deemed to have, and by operation of the Judgment shall have, fully, finally and forever
14 released, relinquished and discharged the Released Claims (including Unknown Claims)
15 against the Released Persons. In addition, upon the Effective Date, Plaintiff and the Class,
16 for themselves and their respective heirs, executors, administrators, predecessors,
17 representatives, agents, successors and assigns agree to waive and shall be deemed to have
18 waived any and all rights and benefits which they now have, or in the future may have by
19 virtue of § 1542 of the California Civil Code and any other similar state or federal law
20 provision with respect to the Released Claims, including Unknown Claims.

21 4.2 Defendants and the Released Persons release Plaintiff, members of the Class
22 and Plaintiff's Counsel, from all claims arising out of the instituting, prosecution,
23 settlement or resolution of the Action, provided however, that the Settling Parties shall
24 retain the right to enforce in the Court the terms of this Stipulation.

25 4.3 The releases granted pursuant to ¶¶ 4.1-4.2 above do not extend to any
26 claims arising out of obligations incurred under this Stipulation.

27
28

1 **5 ATTORNEYS' FEES AND EXPENSES**

2 5.1 Defendants acknowledge that Plaintiff's Counsel has a claim for attorneys'
3 fees and reimbursement of expenses in connection with this Action based upon the benefits
4 that the Settlement has provided and will provide to the Class. Plaintiff's Counsel will
5 make an application for all fees, costs and expenses incurred by Plaintiff's Counsel in
6 connection with the Action ("Fees and Expenses"), the amount of which will not exceed
7 \$150,000, and Defendants agree not to oppose such application for Fees and Expenses up
8 to and not exceeding \$150,000 (the "Fee Limit"), which is intended as a cap covering all
9 fees and expenses of any and all counsel who claim to represent Plaintiff or any Class
10 member, including without limitation Plaintiff's Counsel. Plaintiff's Counsel represents
11 that they are the only counsel entitled to attorneys' fees and expenses in prosecuting this
12 matter. If any other counsel representing Plaintiff or any other Class member makes a
13 successful application for attorneys' fees and/or expenses, then any amount awarded to
14 such other counsel will be deducted from any amount awarded to Plaintiff's Counsel, and
15 in no event shall Defendants be required to pay more than \$150,000 in total for the fees
16 and expenses claimed by Plaintiff's Counsel and counsel for any other Class members.
17 Subject to the terms and conditions of this Stipulation, subject to the Final Approval by the
18 Court of the terms of this Stipulation, and subject to Final Approval of the Settlement and
19 such Fees and Expenses by the Court, Matrixx (or its successor) shall pay to Plaintiff's
20 Counsel, Levi & Korsinsky, LLP, the Fees and Expenses awarded by the Court (as
21 modified on any appeal that may be properly taken), and in no event more than the Fee
22 Limit, within ten (10) business days after the award of such Fees and Expenses becomes
23 Final.

24 5.2 No portion of such fees and expenses awarded by the Court shall be paid to
25 Plaintiff or any member of the Class.

26 5.3 Except as provided herein, the Released Persons shall bear no other
27 expenses, costs, damages, or fees alleged or incurred by Plaintiff, by any member of the
28 Class, or by any of their attorneys, experts, advisors, agents or representatives.

1 5.4 Final Approval of the Settlement is not in any way conditioned on Court
2 approval of Plaintiff's Counsel's Fees and Expenses.

3 **6 JUDGMENT**

4 6.1 Upon approval by the Court of the settlement terms set forth in this
5 Stipulation, a Judgment, identical in all material respects to that annexed as Exhibit B
6 hereto, shall be entered, among other things:

7 6.1.1 approving the Settlement as fair, reasonable, adequate and in the
8 best interests of the Class;

9 6.1.2. dismissing the Action as to the Released Persons with prejudice as
10 against Plaintiffs and the Class, releasing the Released Claims, and barring and enjoining
11 prosecution of any and all Released Claims;

12 6.1.3. certifying the Class as a non-opt out class pursuant to Ariz. R. Civ.
13 P. 23; and

14 6.1.4 retaining jurisdiction to effectuate the same.

15
16 **7 CONDITIONS OF SETTLEMENT, EFFECT OF DISAPPROVAL,
17 CANCELLATION, OR TERMINATION**

18 7.1 This Stipulation shall be null and void and of no force and effect, unless
19 otherwise agreed to by the Settling Parties pursuant to the terms hereof, if the Settlement
20 does not obtain Final Approval; provided, however, that any decision by the Court not to
21 approve the amount in any application for attorneys' fees and expenses filed by Plaintiff's
22 Counsel shall not void the Stipulation or the Settlement.

23 7.2 In the event this Stipulation and the Settlement proposed herein do not
24 receive Final Approval, or are terminated, cancelled, or fail to become effective for any
25 reason whatsoever, the Settling Parties will revert to their respective positions immediately
26 prior to the execution of this Stipulation. In the event any Settling Party withdraws from
27 the Settlement, this Stipulation shall not be deemed to prejudice in any way the respective
28 positions of the Settling Parties with respect to the Action, and neither the existence of this

1 Stipulation nor its contents shall be admissible in evidence or shall be referred to for any
2 purpose in the Action or in any other litigation or proceeding.

3 **8 MISCELLANEOUS PROVISIONS**

4 8.1 This Stipulation and the Settlement shall be governed by and construed in
5 accordance with the laws of the State of Arizona, without regard to Arizona's principles
6 governing choice of law. The parties agree that any dispute arising out of or relating in
7 any way to this Stipulation or the Settlement shall not be litigated or otherwise pursued in
8 any forum or venue other than the Court, and the parties expressly waive any right to
9 demand a jury trial as to any such dispute.

10 8.2 The Settling Parties: (i) acknowledge that it is their intent to consummate this
11 Stipulation; and (ii) agree to cooperate to the extent reasonably necessary to effectuate and
12 implement all terms and conditions of the Stipulation and to exercise their best efforts to
13 accomplish the foregoing terms and conditions of the Stipulation.

14 8.3 If any action is filed in state or federal court asserting claims that are related
15 to the subject matter of the Action prior to Final Approval of the proposed Settlement, the
16 Settling Parties shall cooperate in obtaining the dismissal or withdrawal of such related
17 litigation, including where appropriate joining in any motion to dismiss such litigation.

18 8.4 The Settling Parties intend this Settlement to be a final and complete
19 resolution of all disputes between them with respect to the Action. The Settlement
20 compromises claims which are contested and shall not be deemed an admission by any
21 Settling Party as to the merits of any claim or defense. The Settling Parties agree that the
22 Settlement was negotiated in good faith by the Settling Parties and reflects a settlement
23 that was reached voluntarily after consultation with competent legal counsel. The Settling
24 Parties reserve their right to rebut, in a manner that such party determines to be
25 appropriate, any contention made in any public forum that the Action was brought or
26 defended in bad faith or without a reasonable basis. The Settling Parties each represent
27 that they have no reason to believe and do not believe that the Action was either
28 prosecuted or defended in bad faith.

1 8.5 Defendants have denied, and continue to deny, that any of them have
2 committed or have threatened to commit or have aided or abetted the alleged commission
3 of any violations of law or breaches of duty to Plaintiff, the Class or anyone else.

4 8.6 Defendants are entering into the Settlement in order to eliminate the
5 uncertainty, distraction, burden and expense of further litigation.

6 8.7 All agreements made and orders entered during the course of the Action
7 relating to the confidentiality of information shall survive this Stipulation.

8 8.8 All of the exhibits to this Stipulation are material and integral parts hereof
9 and are fully incorporated herein by this reference.

10 8.9 This Stipulation may be amended or modified only by a written instrument
11 signed by or on behalf of all Settling Parties or their respective successors-in-interest.

12 8.10 This Stipulation and the exhibits attached hereto constitute the entire
13 agreement among the Settling Parties with regard to the subject matter thereof and no
14 representations, warranties or inducements have been made to any Settling Party
15 concerning the Stipulation or the exhibits annexed hereto other than the representations,
16 warranties and covenants contained and memorialized in such documents. Except as
17 otherwise provided herein, each party shall bear its own costs. No Settling Party has relied
18 upon any representations, warranties, covenants or inducements other than the
19 representations, warranties and covenants contained and memorialized in the Stipulation or
20 the exhibits annexed hereto in deciding to enter into the Stipulation.

21 8.11 Plaintiff's Counsel, on behalf of the Class, is expressly authorized by
22 Plaintiff to take all appropriate actions required or permitted to be taken by the Class
23 pursuant to the Stipulation to effectuate its terms and also are expressly authorized to enter
24 into any modifications or amendments to the Stipulation on behalf of the Class, which they
25 deem appropriate.

26 8.12 Each counsel or other Person executing the Stipulation or any of its exhibits
27 on behalf of any party hereto hereby warrants that such Person has the full authority to do
28 so.

1 8.13 Each of the Settling Parties has cooperated in the drafting and preparation of
2 this Stipulation. Therefore, in any construction to be made of this Stipulation, the same
3 shall not be construed against any one party on the basis that the party was the drafter.

4 8.14 The Stipulation may be executed in one or more counterparts. All executed
5 counterparts and each of them shall be deemed to be one and the same instrument. A
6 complete set of original executed counterparts shall be filed with the Court.

7 8.15 The Stipulation shall be binding upon, and inure to the benefit of, the
8 successors and assigns of the Settling Parties, but this Stipulation is not designed to and
9 does not create any third party beneficiaries either express or implied.

10 8.16 The Court shall retain jurisdiction with respect to implementation and
11 enforcement of the terms of the Stipulation, and the Settling Parties submit to the
12 jurisdiction of the Court for purposes of implementing and enforcing the settlement
13 embodied in the Stipulation.

14 8.17 Other than necessary disclosures made to the Court, the fact of settlement
15 and all related information shall be held strictly confidential by Plaintiff, Plaintiff's
16 Counsel and their agents until such time as the Court approves preliminary settlement.
17 After preliminary approval, Plaintiff, Plaintiff's Counsel and their agents may
18 communicate with Class members; however, the Settling Parties shall issue no statements
19 to the press regarding this settlement prior to Final Approval by the Court.
20

21 **[SIGNATURES APPEAR ON FOLLOWING PAGES]**
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1 **IN WITNESS WHEREOF**, the parties hereto have caused the Stipulation to be
2 executed, by their duly authorized attorneys,

3
4 DATED: August 11, 2011

LEVI & KORSINSKY LLP
Joseph Levi
W. Scott Holleman
30 Broad Street – 15th Floor
New York, NY 10004
Telephone: (212) 363-7500
Facsimile: (212) 363-7171

8
9 **SCHNEIDER WALLACE COTRELL**
10 **BRAYTON KONECKY LLP**
11 Michael C. McKay
12 8501 North Scottsdale Road, Suite 270
13 Scottsdale, Arizona 85253
14 Telephone: (480) 428-0141
15 Facsimile: (866) 505-8036

16
17 By: 
18 Michael C. McKay

19
20 *Attorneys for Plaintiff*
21
22
23
24
25
26
27
28

1 DATED: August 11, 2011

O'MELVENY & MYERS LLP

Michael G. Yoder
Amy J. Longo
Brian Neach

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Newport Beach, CA 92660
Telephone: (949) 760-9600

OSBORN MALEDON, P.A.

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10
11 By: 
Michael G. Yoder

*Attorneys for Defendants William Hemelt,
William C. Egan, Samuel Cowley, Lori Bush,
John M. Clayton, L. White Mathews, Micahel
Zeher, and Matrixx Initiatives, Inc.*

16 DATED: August __, 2011

KIRKLAND & ELLIS LLP

Timothy A. Duffy
Maria Rivera
300 North LaSalle
Chicago, IL 60654
Telephone: (312) 862-2445

21 By: _____
Maria Rivera

*Attorneys for Defendants Wonder Holdings
Acquisition Corp. and Wonder Holdings, Inc.*

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DATED: August ____, 2011

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By: _____
Michael G. Yoder

*Attorneys for Defendants William Hemelt,
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John M. Clayton, L. White Mathews, Michael
Zeher, and Matrixx Initiatives, Inc.*

DATED: August 11, 2011

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By: Maria Rivera
Maria Rivera

*Attorneys for Defendants Wonder Holdings
Acquisition Corp. and Wonder Holdings, Inc.*

Exhibit A

1 Michael C. McKay, Bar No. 023354
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4 8501 N. Scottsdale Rd., Ste. 270
5 Scottsdale, AZ 85253
6 mmckay@schneiderwallace.com

7 W. Scott Holleman (*Pro Hac Vice*
8 *pending*)
9 LEVI & KORSINSKY LLP
10 30 Broad Street, 15th Floor
11 New York, NY 10004
12 sholleman@zlk.com

13 Attorneys for Plaintiff

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20 Attorneys for Defendants Wonder
21 Holdings Acquisition Corp. and
22 Wonder Holdings, Inc.

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Attorneys for Defendants Matrixx
Initiatives, Inc., William Hemelt,
William C. Egan, Samuel Cowley,
Lori Bush, John M. Clayton,
L. White Matthews, and Michael Zeher.

16 **IN THE SUPERIOR COURT OF THE STATE OF ARIZONA**
17 **IN AND FOR THE COUNTY OF MARICOPA**

18 FLOYD SCHNEIDER, individually and on
19 behalf of all others similarly situated,

20 Plaintiff,

21 v.

22 WILLIAM HEMELT, WILLIAM C. EGAN,
23 SAMUEL COWLEY, LORI BUSH, JOHN
24 M. CLAYTON, L. WHITE MATTHEWS,
25 MICHAEL ZEHER, MATRIX
26 X INITIATIVES, INC., WONDER HOLDINGS
27 ACQUISITION CORP., and WONDER
28 HOLDINGS, INC.,

Defendants.

Case No. CV2011-050036

CLASS ACTION
Complex Civil Case

**[PROPOSED] ORDER RE:
NOTICE AND SCHEDULING OF
HEARING ON APPROVAL OF
SETTLEMENT**

(Assigned to the Hon. Arthur Anderson)

1 The parties to the above-captioned action (the “Action”) having applied pursuant
2 to Arizona Rule of Civil Procedure 23(e) for an Order to approve the proposed settlement
3 of the Action (the “Settlement”) in accordance with the Stipulation of Settlement entered
4 into by the parties, dated as of August __, 2011 (the “Stipulation”), and for the dismissal
5 of the Action with prejudice upon the terms and conditions set forth in the Stipulation;
6 the Stipulation contemplating final and permanent certification by this Court (the
7 “Court”) of a class in the Action, solely for purposes of the Settlement; the Court having
8 read and considered the Stipulation and accompanying documents; and all parties having
9 consented to the entry of this Order,

10 **NOW, THEREFORE**, upon application of Plaintiff Floyd Schneider, IT IS
11 **HEREBY ORDERED** as follows:

12 1. Except for terms defined herein, the Court adopts and incorporates the
13 definitions in the Stipulation for purposes of this Order.

14 2. Solely for purposes of the Settlement, the Action shall be preliminarily
15 maintained as a class action pursuant to Arizona Rules of Civil Procedure 23(a), 23(b)(1)
16 and 23(b)(2) on behalf of a class composed of all common stockholders of defendant
17 Matrixx Initiatives, Inc. (“Matrixx”), other than Defendants, from December 14, 2010,
18 through and including February 18, 2011, including any and all of their respective
19 successors in interest, predecessors, representatives, trustees, executors, administrators,
20 heirs, assigns or transferees, immediate and remote, and any person or entity acting for or
21 on behalf of, or claiming under, any of them, and each of them. Named Plaintiff Floyd
22 Schneider is preliminarily certified as class representative, and Plaintiff’s Counsel as
23 counsel for the Class.

24 3. A hearing (the “Final Approval Hearing”) shall be held on _____
25 ____, 2011 at _____ .m, at the Old Court House, Department 101, 125 W. Washington,
26 Phoenix, AZ. 85003-2243, to:

27
28

1 (a) determine whether to finally certify the Class as a non-opt-out class
2 action pursuant to Rule 23 of the Arizona Rules of Civil Procedure;

3 (b) determine whether to approve the Settlement as fair, reasonable,
4 adequate, and in the best interests of the Class;

5 (c) determine whether to dismiss Plaintiff's claims with prejudice as
6 against Defendants;

7 (d) determine whether to permanently enjoin the members of the Class
8 and the Releasing Parties from asserting, instituting, maintaining, prosecuting or enforcing
9 against the Released Parties, in any state or federal court or arbitral or other forum, or in
10 the court of any other jurisdiction, whether foreign or domestic, any and all Released
11 Claims, and any and all claims (including Unknown Claims) arising out of, relating to, or
12 in connection with, the defense, settlement, or resolution of the Action or the Released
13 Claims; and

14 (e) determine whether to retain jurisdiction with respect to the
15 implementation and enforcement of the terms of the Stipulation.

16 (f) consider the application of Plaintiff's Counsel for an award of
17 attorneys' fees and expenses not to exceed \$150,000;

18 (g) hear and determine any objections to the Settlement and the
19 application of Plaintiff's Counsel for an award of attorneys' fees and expenses; and

20 (h) rule on such other matters as the Court may deem appropriate.

21 4. The Court reserves the right to adjourn the Final Approval Hearing,
22 including consideration of the application of Plaintiff's Counsel for an award attorneys'
23 fees and expenses, without further notice other than by announcement at the Final
24 Approval Hearing or any adjournment thereof.

25 5. The Court reserves the right to approve the Settlement at or after the Final
26 Approval Hearing with such modifications as may be consented to by the parties to the
27 Stipulation and without further notice to the Class.

28

1 6. Prior to the Final Approval Hearing, Matrixx, or its successor(s)-in-interest,
2 shall assume the administrative responsibility of providing Notice to the Class in
3 accordance with the Notice Order. Such Notice shall be provided to Matrixx's
4 shareholders, at Matrixx's expense, via a press release, posting of the Stipulation and
5 Notice on Matrixx's website, and publication of the Notice in Investor's Business Daily
6 within ten (10) days of the Court's issuance of the Notice Order.

7 7. At least fourteen (14) calendar days prior to the Final Approval Hearing,
8 Matrixx shall serve on Plaintiff's Counsel and file with the Court proof, by affidavit or
9 declaration, of such filing, posting and publication.

10 8. The form and method of notice specified herein is the best notice
11 practicable and shall constitute due and sufficient notice of the Final Approval Hearing to
12 all persons entitled to receive such notice, and fully satisfies the requirements of due
13 process, Rule 23 of the Arizona Rules of Civil Procedure and applicable law.

14 9. Any member of the Class who objects to the Settlement, the Stipulation, the
15 Class action determination, the Judgment to be entered herein, and/or the application of
16 Plaintiff's Counsel for attorneys' fees and expenses, or who otherwise wishes to be heard,
17 may appear in person or by his attorney at the Final Approval Hearing and present any
18 evidence or argument that may be proper and relevant; provided however, that except
19 Plaintiff, Plaintiff's Counsel, Defendants and counsel for Defendants in the Action, no
20 other person shall be heard, and no papers, briefs, pleadings or other documents
21 submitted by any such person shall be received and considered by the Court (unless the
22 Court in its discretion shall thereafter otherwise direct, upon application of such person
23 and for good cause shown), unless such person no later than ten (10) calendar days prior
24 to the Final Approval Hearing directed herein provides: (i) written notice of the intention
25 to appear; (ii) a detailed statement of such person's objections to any matter before the
26 Court; and (iii) the grounds therefor or the reasons why such person desires to appear and
27 to be heard (collectively "Objection"). Any Objection, including all documents and
28

1 writings which such person desires the Court to consider, shall be filed with the Clerk of
2 Court and, on or before such filing, shall be served by hand or overnight mail on the
3 following counsel of record:

4 David B. Rosenbaum
5 Maureen Beyers
6 OSBORN MALEDON, P.A.
7 2929 North Central Avenue, Suite 2100
8 Phoenix, Arizona 85012-2793

9 Michael C. McKay
10 SCHNEIDER WALLACE COTRELL
11 BRAYTON KONECKY LLP
12 8501 N. Scottsdale Rd., Ste. 270
13 Scottsdale, AZ 85253

14 10. Any person who fails to object in the manner prescribed above shall be
15 deemed to have waived any and all objections to the Settlement and shall be forever
16 barred from raising any and all objections in the Action or in any other action or
17 proceeding.

18 11. All proceedings in the Action, other than such proceedings as may be
19 necessary to carry out the terms and conditions of the Settlement, are hereby stayed and
20 suspended until further Order of this Court. Pending final determination of whether the
21 Stipulation should be approved, Plaintiff's Counsel, Plaintiff and all members of the
22 Class, and any of them, are barred and enjoined from commencing, prosecuting,
23 instigating or in any way participating in the commencement or prosecution of any action
24 asserting any Released Claims (as defined in the Stipulation), either directly,
25 representatively, derivatively or in any other capacity, against any Released Person (as
26 defined in the Stipulation).

27 12. If the Settlement provided for in the Stipulation shall be approved by the
28 Court following the Final Approval Hearing, a Judgment shall be entered as described in
the Stipulation.

1 13. If the Stipulation is not approved by the Court or is terminated or does not
2 become effective for any reason whatever, the Action shall proceed, completely without
3 prejudice to any party as to any matter of law or fact (including the appropriateness of
4 any certification of the class), as if the Stipulation had not been made and had not been
5 submitted to the Court, and neither the Stipulation nor any provision contained in the
6 Stipulation nor any action undertaken pursuant thereto (including the preliminary
7 certification of the Class pursuant to this Order) nor the negotiation thereof by any party
8 shall be deemed an admission or offered or received in evidence at any proceeding in the
9 Action or in any other action or proceeding.

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Date: _____

Hon. Arthur Anderson
Maricopa County Superior Court Judge

Exhibit A-1

1 Michael C. McKay, Bar No. 023354
2 SCHNEIDER WALLACE COTRELL
3 BRAYTON KONECKY LLP
4 8501 N. Scottsdale Rd., Ste. 270
5 Scottsdale, AZ 85253
6 mmckay@schneiderwallace.com

7 W. Scott Holleman (*Pro Hac Vice*
8 *pending*)

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20 Attorneys for Defendants Wonder
21 Holdings Acquisition Corp. and
22 Wonder Holdings, Inc.

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Attorneys for Defendants Matrixx
Initiatives, Inc., William Hemelt,
William C. Egan, Samuel Cowley,
Lori Bush, John M. Clayton,
L. White Matthews, and Michael Zeher.

16 **IN THE SUPERIOR COURT OF THE STATE OF ARIZONA**
17 **IN AND FOR THE COUNTY OF MARICOPA**

18 FLOYD SCHNEIDER, individually and on
19 behalf of all others similarly situated,

20 Plaintiff,

21 v.

22 WILLIAM HEMELT, WILLIAM C. EGAN,
23 SAMUEL COWLEY, LORI BUSH, JOHN
24 M. CLAYTON, L. WHITE MATTHEWS,
25 MICHAEL ZEHER, MATRIX
26 INITIATIVES, INC., WONDER HOLDINGS
27 ACQUISITION CORP., and WONDER
28 HOLDINGS, INC.,

Defendants.

Case No. CV2011-050036

CLASS ACTION
Complex Civil Case

**NOTICE AND SCHEDULING OF
HEARING ON APPROVAL OF
SETTLEMENT**

(Assigned to the Hon. Arthur Anderson)

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TO: ALL RECORD HOLDERS AND BENEFICIAL OWNERS OF MATRIXX INITIATIVES, INC. (“MATRIXX”) COMMON STOCK AT ANY TIME FROM DECEMBER 14, 2010 THROUGH AND INCLUDING FEBRUARY 14, 2011.

PLEASE READ THIS NOTICE CAREFULLY AND IN ITS ENTIRETY. THIS NOTICE RELATES TO A PROPOSED SETTLEMENT OF LITIGATION REFERRED TO IN THE ABOVE CAPTIONED ACTION AND CONTAINS IMPORTANT INFORMATION REGARDING YOUR LEGAL RIGHTS, WHICH MAY BE AFFECTED BY PROCEEDINGS IN THIS LITIGATION. IF THE COURT APPROVES THE PROPOSED SETTLEMENT, YOU WILL BE BARRED FROM CONTESTING THE FAIRNESS, REASONABLENESS OR ADEQUACY OF THE PROPOSED SETTLEMENT AND FROM PURSUING ANY OF THE SETTLED CLAIMS.

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THE PURPOSE OF THIS NOTICE

This Notice of Pendency of Class Action, Preliminary Class Action Determination, Proposed Settlement of Class Action, and Settlement Hearing and Right to Appear (the “Notice”) is given pursuant to Rule 23 of the Arizona Rules of Civil Procedure and an Order of the Superior Court for the State of Arizona in Maricopa County (the “Court”).

The purpose of this Notice is to inform you of a proposed settlement (the “Settlement”) of the above-captioned action (the “Action”) and of a hearing to be held before the Court at _____, on _____, 2011 at _____.m. (the “Final Approval Hearing”). The purpose of the Final Approval Hearing is to determine:

- (a) whether, solely for purposes of the Settlement, the Court should certify the Action as a non-opt-out class action;
- (b) whether the Court should approve the proposed Settlement of the Action;
- (c) whether the Court should enter final judgment dismissing the claims asserted in the Action on the merits and with prejudice as against Plaintiff Floyd Schneider (“Plaintiff”) and all other members of the Class (defined below);
- (d) the amount of fees and expenses, if any, that should be awarded to Plaintiff’s attorneys’ for their efforts in bringing about the Settlement; and
- (e) such other matters as may properly come before the Court.

The Court has the right to adjourn the Final Approval Hearing without further notice. The Court also has the right to approve the Settlement with or without modifications, and to enter its final judgment dismissing the Action on the merits and with prejudice and to order the payment of attorneys’ fees and expenses without further notice.

THIS NOTICE SHOULD NOT BE UNDERSTOOD AS AN EXPRESSION OF ANY OPINION OF THE COURT AS TO THE MERITS OF ANY CLAIMS OR DEFENSES BY ANY OF THE PARTIES. IT IS BASED ON STATEMENTS OF THE PARTIES AND IS GIVEN FOR THE SOLE PURPOSE OF INFORMING YOU OF THE EXISTENCE OF THIS ACTION AND OF A HEARING ON THE PROPOSED SETTLEMENT SO THAT YOU MAY MAKE APPROPRIATE DECISIONS AS TO STEPS YOU MAY WISH TO TAKE IN RELATION TO THIS LITIGATION.

BACKGROUND AND DESCRIPTION OF THE LITIGATION

1
2 On December 14, 2010, Matrixx and H.I.G. Capital, LLC (“H.I.G.”) announced that
3 they had entered into a December 14, 2010, Agreement and Plan of Merger (the “Merger
4 Agreement”) pursuant to which H.I.G., through Wonder Holdings Acquisition Corp. and
5 Wonder Holdings, Inc. (collectively “Wonder”), would commence a tender offer to
6 purchase each outstanding share of Matrixx common stock, and the associated preferred
7 stock purchase rights, at a price of \$8.00 per share (the “Tender Offer”), as set forth in the
8 Schedule TO filed with the Securities Exchange Commission (the “SEC”) on
9 December 22, 2010.

10 On December 22, 2010, Matrixx filed with the SEC a Schedule 14D-9 disclosing
11 the Board’s unanimous recommendation that Matrixx stockholders accept the Tender Offer
12 and tender their shares (the “Recommendation Statement”).

13 The Action was filed in the Superior Court on January 7, 2011, purportedly on
14 behalf of the public stockholders of Matrixx, challenging the Tender Offer and challenging
15 the related actions of Matrixx, the Board, and Wonder. The complaint in the Action
16 alleged, among other things, that Matrixx and the Board breached their fiduciary duties
17 owed to in connection with the Tender Offer and other related corporate activities,
18 including claims regarding the Recommendation Statement and other public disclosures
19 concerning the Tender Offer and Merger Agreement. Additionally, the complaint alleged
20 that the \$8.00 per share price of the Tender Offer was inadequate. The complaint also
21 alleged that Wonder aided and abetting the alleged breaches of fiduciary duties by Matrixx
22 and the Board.

23 On January 19, 2011, Matrixx filed with the SEC a Schedule TO and Schedule
24 14D-9 announcing that the expiration date of the Tender Offer had been extended from
25 11:59 p.m. New York City time on January 24, 2011, to 5:00 p.m. New York City time on
26 January 31, 2011.

1 On January 21, 2011, Matrixx filed with the SEC a Schedule 14D-9 summarizing
2 the results of the “go-shop” period that was scheduled to conclude at 11:59 p.m. New York
3 City time on January 22, 2011.

4 On February 2, 2011, Matrixx filed with the SEC a Schedule 14D-9 announcing
5 that H.I.G. had increased its Tender Offer price to \$8.75 per share.

6 The Schedule 14D-9 filed by Matrixx with the SEC, on February 2, 2011,
7 announced that the Tender Offer had been extended from 5:00 p.m. New York City time
8 on January 31, 2011 to 11:59 p.m. New York City time on February 14, 2011.

9 On February 15, 2011, Matrixx filed with the SEC a Schedule 14d-9 disclosing that
10 the Tender Offer at 11:59 p.m., New York City time, on Monday, February 14, 2011, and
11 that it had commenced a subsequent offering period to acquire all remaining untendered
12 shares that would expire at 11:59 p.m., New York City time, on Thursday, February 17,
13 2011.

14 On February 18, 2011, Matrixx filed with the SEC a Schedule 14d-9 disclosing that
15 the subsequent offering period expired at 11:59 p.m., New York City time, on Thursday,
16 February 17, 2011.

17 The Schedule 14d-9 that Matrixx filed with the SEC on February 18, 2011, further
18 disclosed that, on February 18, 2011, pursuant to the terms of the Merger Agreement,
19 Wonder exercised a top-up option to purchase, at a per share price equal to the Tender
20 Offer price, 19,785,355 “Top-Up Shares,” which brought Wonder’s ownership of
21 Matrixx’s common stock, when combined with the shares acquired by Matrixx during the
22 Tender Offer, to more than 90% of the outstanding shares after such purchase.

23 The Schedule 14d-9 that Matrixx filed with the SEC on February 18, 2011, further
24 disclosed that, on February 18, 2011, in accordance with the Merger Agreement, Wonder
25 effected a short-form merger without the need for a meeting of, or any action by, Matrixx’s
26 stockholders and that each outstanding share not tendered in the Tender Offer was
27 converted into the right to receive a cash payment in an amount equal to the Tender Offer
28 price.

1 Plaintiff filed this Action, through Plaintiff's Counsel, challenging, among other
2 things, certain disclosures contained in the Recommendation Statement and requesting that
3 the Court issue a temporary restraining order enjoining the Tender Offer from being
4 completed. Since Plaintiff's filing of this action, counsel for Matrixx and members of its
5 board of directors (collectively the "Matrixx Defendants") and Plaintiff's Counsel have
6 engaged in arm's-length negotiations concerning a possible settlement of the Action.

7 On or about February 14, 2011, the parties reached an agreement in principle, as set
8 forth in a memorandum of understanding (the "MOU"), providing for the settlement of the
9 Action between and among Plaintiff, on behalf of himself and the putative Class (defined
10 below), and Defendants, on the terms and subject to the conditions described below, all as
11 set forth in the Stipulation of Settlement dated August __, 2011 (the "Stipulation").

12 **REASONS FOR THE SETTLEMENT**

13 Plaintiff, through his counsel, has undertaken and completed a thorough
14 investigation of the claims and allegations asserted in the Action, which included
15 reviewing public filings and various non-public documents produced by Defendants and
16 the Company's financial advisor and conducting interviews of: (1) Michael Rabin of
17 Sawaya Segalas, Matrixx's financial advisor, and (2) Samuel Cowley, a member of the
18 Company's board of directors.

19 In evaluating the Settlement provided for herein, Plaintiff and Plaintiff's counsel
20 have considered: (i) the benefits to the members of the Class (as defined below) from the
21 Settlement; (ii) the facts developed during discovery; (iii) the attendant risks of continued
22 litigation and the uncertainty of the outcome of the Action; (iv) the probability of success
23 on the merits and the allegations contained in the Action, including the uncertainty relating
24 to the proof of those allegations; (v) the desirability of permitting the Settlement to be
25 consummated as provided by the terms of the Stipulation; and (vi) the conclusion of
26 Plaintiff's counsel that the terms and conditions of the Settlement are fair, reasonable,
27 adequate and in the best interests of Plaintiff and the Class.

28

1 Defendants, as a group and individually, have at all times denied, and continue to
2 deny, that any further disclosures were needed and that any of them have committed, or
3 have threatened to commit, any wrongful acts or violations of law of any nature
4 whatsoever or have in any way breached any fiduciary or other duty in connection with
5 (i) any of the matters alleged, or which could have been alleged in the Action; (ii) any
6 matter related in any way to the Merger Agreement or the Tender Offer; or (iii) any other
7 aspect of the dealings between or among Matrixx, its Board, and Wonder. The Defendants
8 are entering into the Stipulation solely because the proposed Settlement will eliminate the
9 burden, risk and expense of further litigation.

10 Moreover, all parties recognize the time and expense that would be incurred by
11 further litigation in this matter and the uncertainties inherent in such litigation and agree
12 that the interests of the parties would best be served by a settlement of the litigation herein.

13 **SUMMARY OF THE SETTLEMENT TERMS**

14 The principal terms of the Stipulation are as follows:

15 (a) Defendants agree that the pendency of the Action and the efforts of
16 Plaintiff and Plaintiff's Counsel were among the factors considered by the Matrixx
17 Defendants in connection with their determination to file with the SEC, on January 21,
18 2011, a Schedule 14D-9 summarizing the results of the "go-shop" period. Plaintiff and
19 Plaintiff's Counsel agree that they will not seek additional disclosures as a condition of this
20 Settlement;

21 (b) Matrixx or its successors also agree subject to the terms herein, not to
22 object to Plaintiff's Counsel's request for attorneys' fees and expenses if awarded by the
23 Court as described below;

24 (c) The parties agree to the conditional certification of the Action as a
25 class action pursuant to Arizona Rule of Civil Procedure Rule 23 for settlement purposes
26 only;

27
28

1 (d) Plaintiff's Counsel have completed confirmatory discovery and have
2 confirmed their belief that the Settlement is fair, reasonable, adequate, and in the best
3 interest of the Class; and

4 (e) The full terms of the Settlement are set forth in the Stipulation (*see*
5 Scope of This Notice and Further Information, below).

6 **CLASS ACTION DETERMINATION**

7 The Court has ordered that, for purposes of the Settlement only, the Action shall be
8 temporarily maintained as a class action by Plaintiff as Class representative and by his
9 counsel on behalf of the Class, subject to the Court's final approval of the Settlement.

10 **DISMISSAL AND RELEASE OF CLAIMS**

11 The Settlement, broadly speaking, provides for the dismissal and release of any
12 potential claim that any Class member might have against Defendants or their related
13 parties relating to the Merger Agreement and the Tender Offer. More specifically, the
14 Stipulation provides that upon final Court approval of the Settlement, and in consideration
15 of the benefits provided by the Settlement:

16 (a) Upon the Effective Date of the Settlement, as defined in the Stipulation, the
17 Plaintiff and each member of the Class, shall have, fully, finally, and forever released,
18 relinquished, and discharged: (i) all Released Claims against the Released Parties; and
19 (ii) against each and all of the Released Parties, all claims (including Unknown Claims)
20 arising out of, relating to, or in connection with, the defense, settlement, or resolution of
21 the Action or the Released Claims;

22 (b) "Released Claims" shall mean and include all claims, allegations, demands,
23 rights, actions or causes of action, rights, liabilities, damages, losses, obligations,
24 judgments, injunctions, suits, fees, expenses, costs, matters and issues of any kind or
25 nature whatsoever, whether known or unknown, contingent or absolute, suspected or
26 unsuspected, disclosed or undisclosed, hidden or concealed, matured or unmatured,
27 including but not limited to class, derivative, individual or other claims for negligence,
28 gross negligence, recklessness, breach of duty of care and/or loyalty, breach of fiduciary

1 duty, fraud, misrepresentation, mismanagement, breach of contract, and violations of any
2 state or federal securities laws or other statutes, rules or regulations, including “Unknown
3 Claims” as defined in Paragraph 1.13 of the Stipulation, that have been, could have been,
4 or in the future can or might be asserted in the Action or in any court, tribunal or
5 proceeding by or on behalf of any member of the Class, whether individual, class,
6 derivative, representative, legal, equitable or any other type or in any other capacity, which
7 have arisen, could have arisen, arise now or hereafter arise out of, are based on, or relate in
8 any manner to the allegations, facts, events, transactions, matters, acts, occurrences,
9 statements, representations, misrepresentations, omissions, or any other matter, thing or
10 cause whatsoever, or any series thereof, embraced, involved or set forth in, or referred to
11 or otherwise related, directly or indirectly, in any way to, the Action or the subject matter
12 of the Action, and including without limitation any claims in any way related to: (i) the
13 Merger Agreement or Tender Offer or any amendment thereto; (ii) the adequacy of the
14 consideration being paid to Matrixx’s stockholders in connection with the Merger
15 Agreement or Tender Offer or any amendment thereto; (iii) the fiduciary obligations of
16 any of the Defendants or Released Persons in connection with the Merger Agreement and
17 Tender Offer, or any amendment thereto, including any alleged deal protection devices;
18 (iv) the negotiations, due diligence, or other activities in connection with the Merger
19 Agreement and Tender Offer or any amendment thereto; and (v) the disclosures or
20 disclosure obligations of any of the Defendants or Released Persons in connection with the
21 Merger Agreement and Tender Offer or any amendment thereto (including the adequacy
22 and completeness of such disclosures); (vi) the alleged aiding and abetting of any breach of
23 fiduciary duty; (vii) any alleged improper benefit, conflict of interest, improper payments
24 of any remuneration or employment benefits to any individual made in connection with the
25 Merger Agreement and Tender Offer; and (viii) the allegations in the Action; provided
26 however, that the Released Claims shall not include the right of the Settling Parties to
27 enforce in the Court the terms of the Stipulation or any properly perfected claims for
28 appraisal;

1 (c) "Released Person" means and includes any of the Defendants and/or their
2 respective parent entities, associates, affiliates or subsidiaries, and each and all of their
3 respective past, present or future officers, directors, stockholders, agents, representatives,
4 employees, attorneys, financial or investment advisors, advisors, consultants, accountants,
5 investment bankers, commercial bankers, trustees, engineers, agents, insurers, co-insurers
6 and reinsurers, heirs, executors trustees, general or limited partners or partnerships, limited
7 liability companies, members, heirs, executors, personal or legal representatives, estates,
8 administrators, predecessors, successors and assigns, and any members of any Board
9 member's immediate family or any trust of which any Board member is the settlor or
10 which is for the benefit of any Board member and/or members of his or her immediate
11 family, whether or not any such Released Persons were named, served with process or
12 appeared in the Action; and

13 (d) "Unknown Claims" means any claims, causes of action, damage or harm
14 which Plaintiff, or any Class member, do not know or suspect to exist in his, her or its
15 favor at the time of the release of the Released Claims in favor of the Plaintiff or any Class
16 member which, if known by him, her or it, might have affected his, her or its settlement
17 with and release of the Released Persons, or might have affected his, her or its decision not
18 to object to this Settlement. With respect to any and all Released Claims, the Settling
19 Parties stipulate and agree that, upon the Effective Date, Plaintiff shall expressly waive,
20 and each of the Class members shall be deemed to have and by operation of the Judgment
21 shall have expressly waived, the provisions, rights and benefits of California Civil Code §
22 1542, which provides:

23 **A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE**
24 **CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER**
25 **FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN**
26 **BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER**
27 **SETTLEMENT WITH THE DEBTOR.**
28

1 Upon the Effective Date, Plaintiff shall expressly waive, and each of the Class
2 members shall be deemed to have and by operation of the Judgment shall have expressly
3 waived, any and all provisions, rights and benefits conferred by any law of any state or
4 territory of the United States, or principle of common law, federal law, international or
5 foreign law, which is similar, comparable or equivalent to California Civil Code § 1542.
6 Plaintiff or any Class member may hereafter discover facts in addition to or different from
7 those which they now know or believe to be true with respect to the subject matter of the
8 Released Claims; upon the Effective Date, Plaintiff and all Class members shall be deemed
9 to have, and by operation of the Judgment shall have, fully, finally and forever settled and
10 released any and all Released Claims, known or unknown, suspected or unsuspected,
11 contingent or non-contingent, whether or not concealed or hidden, which now exist or
12 heretofore have existed, upon any theory of law or equity now existing or coming into
13 existence in the future, including, but not limited to, conduct which is negligent,
14 intentional, with or without malice or a breach of any duty, law or rule, without regard to
15 the subsequent discovery or existence of such different or additional facts. Plaintiff
16 acknowledges, and the Class members shall be deemed by operation of the Judgment to
17 have acknowledged, that the foregoing waiver was separately bargained for and a key
18 element of the settlement of which this release is a part.

19 **THE APPLICATION FOR ATTORNEYS' FEES AND EXPENSES**

20 In connection with the approval of the Settlement, Plaintiff's Counsel may submit
21 an application or applications for an award of attorneys' fees and actual expenses incurred
22 in connection with prosecuting the Action not to exceed, in the aggregate, a total of
23 \$150,000. Defendants will take no position with regard to such an application. Neither
24 Plaintiff's Counsel nor any member of the Class shall be entitled to terminate the
25 Stipulation if the Court disapproves of or modifies the terms of the Stipulation with respect
26 to attorneys' fees or costs.

27 Class members are not personally liable for any such fees or expenses. The
28 attorneys' fees and expenses awarded by the Court, not to exceed, in the aggregate, a total

1 of \$150,000, shall be paid to Plaintiff's Counsel by Defendants within ten (10) business
2 days after the later of (i) the date of final affirmance on an appeal of any judgment or
3 order, the expiration of the time for a petition for or a denial of a writ of certiorari to
4 review such judgment or order, and, if certiorari is granted, the date of final affirmance of
5 such judgment or order following review pursuant to that grant; or (ii) the date of final
6 dismissal of any appeal from such judgment or order or the final dismissal of any
7 proceeding on certiorari to review such judgment or order; or (iii) if no appeal is filed, the
8 expiration date of the time for the filing or noticing of any appeal from such judgment or
9 order. No portion of such fees and expenses awarded by the Court shall be paid to Plaintiff
10 or any member of the Class. Except as provided herein, the Released Persons shall bear no
11 other expenses, costs, damages, or fees alleged or incurred by the named Plaintiff, by any
12 member of the Class, or by any of their attorneys, experts, advisors, agents or
13 representatives. Final Approval of the Settlement is not in any way conditioned on Court
14 approval of Plaintiff's Counsel's Fees and Expenses.

15 **RIGHT TO APPEAR AND OBJECT**

16 If you are a Class member, you will be bound by the terms of the proposed
17 Settlement described in this Notice, if it is approved by the Court, together with any and all
18 determinations or judgments in the Action in connection with the Settlement entered into
19 or approved by the Court, whether favorable or unfavorable to the Class. In particular, on
20 the Effective Date, you shall be deemed to have, and by operation of the Judgment shall
21 have, fully released all of the Released Claims against the Released Persons.

22 You may not request exclusion from the Action or the Class, although you may
23 object to the Settlement if you wish (*see below*). You may, but are not required to, enter
24 an appearance through counsel of your own choosing at your own expense. If you do not
25 do so, you will be represented by Plaintiff's Counsel: SCHNEIDER WALLACE
26 COTRELL, BRAYTON KONECKY LLP, 8501 N. Scottsdale Rd., Ste. 270, Scottsdale,
27 AZ 85253, Telephone: (480) 428-0144.
28

1 **IF YOU OBJECT TO THE PROPOSED CLASS ACTION SETTLEMENT, OR**
2 **ANY OTHER MATTER THAT WILL BE CONSIDERED AT THE FINAL**
3 **APPROVAL HEARING, YOU MUST FOLLOW THE PROCEDURES OUTLINED**
4 **BELOW.**

5 Any member of the Class may appear at the Final Approval Hearing at his, her or
6 its own expense, in person or through counsel, and show cause, if he, she or it has any,
7 why the proposed Settlement should or should not be approved as fair, reasonable,
8 adequate, and in the best interests of the Class; why the Order and Final Judgment should
9 or should not be entered thereon; or why attorneys' fees and expenses should or should not
10 be awarded to Plaintiff's Counsel. However, no person (other than named parties) may be
11 heard at the Final Approval Hearing, or file papers or briefs in connection therewith, or be
12 otherwise entitled to contest such matters, except by Order of the Court for good cause
13 shown, unless, no later than ten (10) calendar days prior to the Final Approval Hearing,
14 copies of (a) a written notice of intention to appear, identifying the name, address, and
15 telephone number of the person and, if represented, his counsel, provided at his own
16 expense, (b) a written detailed statement of such person's specific objections to any matter
17 before the Court, (c) a written statement certifying that the person is a member of the
18 Class, including the number of shares of Matrixx's common stock held by that person at
19 any time from December 14, 2011 to February 18, 2011, (d) the grounds for such
20 objection(s) or submission(s) and any reason(s) for such person's desire to appear and be
21 heard, and (e) all documents and writings such person desires this Court to consider, shall
22 be served electronically or by hand or overnight mail upon the following counsel:

23 David B. Rosenbaum
24 Maureen Beyers
25 OSBORN MALEDON, P.A.
26 2929 North Central Avenue, Suite 2100
27 Phoenix, Arizona 85012-2793

28 Michael C. McKay
SCHNEIDER WALLACE COTRELL
BRAYTON KONECKY LLP

1 8501 N. Scottsdale Rd., Ste. 270
2 Scottsdale, AZ 85253

3 and then filed with the Clerk of Court. Unless the Court otherwise directs, no
4 member of the Class shall be entitled to object to the Settlement or to the judgment to be
5 entered herein, or to the award of attorneys' fees and expenses to Plaintiff's Counsel, or
6 otherwise to be heard, except by serving and filing written objections as described above.
7 Any person who fails to object in the manner provided above shall be deemed to have
8 waived any such objection and shall forever be foreclosed from making any objection to
9 the fairness or adequacy of the proposed Settlement as set forth in the Stipulation, or to the
10 award of attorneys' fees and expenses to Plaintiff's Counsel, unless otherwise ordered by
11 the Court.

12 **THE ORDER AND FINAL JUDGMENT OF THE COURT**

13 If the Court determines that the Settlement, as provided for in the Stipulation, is
14 fair, reasonable, adequate, and in the best interests of the Class, the parties to the Action
15 will ask the Court to enter an Order and Final Judgment, which will, among other things:

16 (a) approve the Settlement as fair, reasonable, adequate, and in the best
17 interests of the Class;

18 (b) finally certify the Class as a non-opt-out class action pursuant to Rule
19 23 of the Arizona Rules of Civil Procedure;

20 (c) dismiss the Action and Plaintiff's claims with prejudice as against
21 Defendants;

22 (d) permanently enjoin the members of the Class and the Releasing
23 Parties from asserting, instituting, maintaining, prosecuting or enforcing against the
24 Released Parties, in any state or federal court or arbitral or other forum, or in the court of
25 any other jurisdiction, whether foreign or domestic, any and all Released Claims, and any
26 and all claims (including Unknown Claims) arising out of, relating to, or in connection
27 with, the defense, settlement, or resolution of the Action or the Released Claims; and
28

1 (e) retain jurisdiction with respect to the implementation and enforcement
2 of the terms of the Stipulation.

3 In the event the Settlement is not approved, or such approval does not become final,
4 then the Settlement and the Stipulation might be terminated and, if terminated, will
5 become null and void, and the parties will be restored to their respective positions as of
6 February 14, 2011, without prejudice and as if the Settlement had not been entered into.

7 **SCOPE OF THIS NOTICE AND FURTHER INFORMATION**

8 The foregoing description of the Final Approval Hearing, the Action, the terms of
9 the proposed Settlement and other matters described herein does not purport to be
10 comprehensive. Accordingly, members of the Class are referred to the documents filed
11 with the Court in the Action, including the Stipulation. The definitions in the Stipulation
12 are incorporated in this Notice, and all capitalized terms used in this Notice shall have the
13 same meanings as set forth in the Stipulation. You or your attorney may examine the
14 documents filed in the Action during regular business hours on any business day at the
15 office of the Clerk of Court for the State of Arizona in and for the County of Maricopa. If
16 you would like further information, you may contact the following counsel for Plaintiff:

17 Michael C. McKay
18 SCHNEIDER WALLACE COTRELL
19 BRAYTON KONECKY LLP
20 8501 N. Scottsdale Rd., Ste. 270
21 Scottsdale, AZ 85253
(480) 428-0144

22 ******* PLEASE DO NOT WRITE OR CALL THE COURT. *******

23
24 Dated: _____, 2011

25 _____
26 Clerk of Court

Exhibit B

1 Michael C. McKay, Bar No. 023354
2 SCHNEIDER WALLACE COTRELL
3 BRAYTON KONECKY LLP
4 8501 N. Scottsdale Rd., Ste. 270
5 Scottsdale, AZ 85253
6 E-mail: mmckay@schneiderwallace.com

7 W. Scott Holleman (*Pro Hac Vice*
8 *pending*)

9 LEVI & KORSINSKY LLP
10 30 Broad Street, 15th Floor
11 New York, NY 10004
12 E-mail: sholleman@zlk.com

13 Attorneys for Plaintiff

14 David B. Rosenbaum, Bar No. 009819
15 Maureen Beyers, Bar No. 017134
16 OSBORN MALEDON, P.A.
17 2929 North Central Avenue, Suite 2100
18 Phoenix, Arizona 85012
19 Telephone: (602) 640-9305
20 E-mail: drosenbaum@omlaw.com
21 mbeyers@omlaw.com

Michael G. Yoder (*Pro Hac Vice*)
Amy J. Longo (*Pro Hac Vice*)
Brian Neach (*Pro Hac Vice*)
O'MELVENY & MYERS LLP
610 Newport Center Drive, Suite 1700
Newport Beach, California 92660
Telephone: (949) 760-9600
E-Mail: myoder@omm.com
alongo@omm.com
bneach@omm.com

Attorneys for Defendants Matrixx
Initiatives, Inc., William Hemelt,
William C. Egan, Samuel Cowley,
Lori Bush, John M. Clayton,
L. White Matthews, and Michael Zeher.

Maria Rivera, Bar No. 018124
KIRKLAND & ELLIS LLP
300 North LaSalle
Chicago, Illinois 60654
Telephone: (312) 862-2445
E-Mail: mrivera@kirkland.com

Attorneys for Defendants Wonder
Holdings Acquisition Corp. and
Wonder Holdings, Inc.

16 **IN THE SUPERIOR COURT OF THE STATE OF ARIZONA**
17 **IN AND FOR THE COUNTY OF MARICOPA**

18 FLOYD SCHNEIDER, individually and on
19 behalf of all others similarly situated,

20 Plaintiff,

21 v.

22 WILLIAM HEMELT, WILLIAM C. EGAN,
23 SAMUEL COWLEY, LORI BUSH, JOHN
24 M. CLAYTON, L. WHITE MATTHEWS,
25 MICHAEL ZEHER, MATRIX
26 INITIATIVES, INC., WONDER HOLDINGS
27 ACQUISITION CORP., and WONDER
28 HOLDINGS, INC.,

Defendants.

Case No. CV2011-050036

CLASS ACTION
Complex Civil Case

[PROPOSED] ORDER AND
FINAL JUDGMENT

(Assigned to the Hon. Arthur Anderson)

1 This matter came before the Court for hearing on _____, 2011, pursuant to
2 the ORDER RE: NOTICE AND SCHEDULING OF HEARING ON APPROVAL OF
3 SETTLEMENT dated _____, 2011 (the "Notice Order"), on application for
4 approval of the proposed settlement (the "Settlement") set forth in the Stipulation of
5 Settlement dated August ____, 2011 (the "Stipulation").

6 Pursuant to the Notice Order, Notice was given to the Class. The Notice advised
7 Class members of the opportunity to object to the proposed Settlement.

8 Due and adequate notice having been given to the Class as required in the Notice
9 Order, and the Court having read and fully considered all papers filed and proceedings
10 had herein, including the Stipulation and all submissions (which may include submissions
11 not specifically described above), as well as all objections written and oral, and
12 otherwise being fully informed in the premises, and good cause appearing therefor, the
13 Court finds the Settlement is fair, reasonable, adequate, and in the best interests of the
14 Class.

15 **IT IS HEREBY ORDERED, ADJUDGED AND DECREED THAT:**

16 1. Incorporation of Definitions. This Order and Final Judgment (the "Order
17 and Final Judgment") incorporates by reference the definitions in the Stipulation, and all
18 capitalized terms used herein shall have the same meanings as set forth therein.

19 2. Jurisdiction. The Court has personal jurisdiction over all Class members and
20 has subject matter jurisdiction over this Action, including, without limitation, jurisdiction
21 to (a) approve the Stipulation; (b) grant final certification of the Class; (c) dismiss the
22 Action with prejudice; and (d) interpret, effectuate, and implement the Stipulation.

23 3. Final Class Certification. With respect to the Class, and upon the stipulation
24 of the Parties for the sole purpose of the Settlement, this Court finds the Class satisfies the
25 requisites of Rule 23 of the Arizona Rules of Civil Procedure:

26 (a) The members of the Class are so numerous that joinder is
27 impracticable. As of January 6, 2010, there were approximately 9.4 million shares of
28 Matrixx common stock outstanding;

1 (b) There are questions of law and fact common to the Class including,
2 but not limited to: (i) whether the members of Matrixx’s Board breached their fiduciary
3 duties owed by them to Plaintiff and the other members of the Class as alleged by Plaintiff;
4 (ii) whether the Board pursued a course of conduct that did not maximize Matrixx’s value
5 in violation of their fiduciary duties as alleged by Plaintiff; (iii) whether the Board
6 breached its fiduciary duty by misrepresenting and omitting material facts in violation of
7 federal securities laws and/or the fiduciary duties owed to Plaintiff and the other members
8 of the Class as alleged by Plaintiff; (iv) whether Matrixx and Wonder aided and abetted the
9 Board’s alleged breaches of fiduciary duty as alleged by Plaintiff; and (v) whether the
10 Class is entitled to injunctive relief or damages as alleged by Plaintiff as a result of
11 Defendants’ alleged wrongful conduct;

12 (c) The claims of the Plaintiff are typical of the claims of the other
13 members of the Class in that they all arise from the same allegedly unlawful course of
14 conduct and are based on the same legal theories. Plaintiff claims that he was damaged by
15 the same alleged misrepresentations and omissions that affected the other Class members
16 and by the same alleged course of conduct. Thus, Plaintiff would invoke the same legal
17 theories to establish liability and damages that all other members of the Class would if they
18 sued separately;

19 (d) Plaintiff shares the interests of the other members of the Class in
20 remedying the alleged breaches of fiduciary duty identified above. Plaintiff has also
21 retained experienced and well-qualified counsel to conduct this litigation. Because
22 Plaintiff does not have interests that are antagonistic to the other members of the Class and
23 have retained qualified experienced counsel, Plaintiff is a fair and adequate representative
24 of the Class; and

25 (e) Defendants have allegedly acted or refused to act on grounds
26 generally applicable to the Class, thereby making appropriate final injunctive relief or
27 declaratory relief with respect to the whole Class.

28

1 Accordingly, the Class is hereby finally certified as a non-opt-out class consisting
2 of all common stockholders of Matrixx, other than Defendants, from December 14, 2010,
3 through and including February 18, 2011, including any and all of their respective
4 successors in interest, predecessors, representatives, trustees, executors, administrators,
5 heirs, assigns or transferees, immediate and remote, and any person or entity acting for or
6 on behalf of, or claiming under, any of them, and each of them.

7 4. Notice. The Court finds that the form and distribution of the Notice were
8 proper in accordance with the terms of the Stipulation and the Notice Order. The Court
9 further finds that the Notice was simply written and readily understandable and that the
10 Notice: (a) constitutes the best practicable notice; (b) constitutes notice that was reasonably
11 calculated, under the circumstances, to apprise the Class of the Settlement and their right to
12 object to the Settlement and to appear at the Final Approval Hearing; (c) is reasonable and
13 constitutes due, adequate, and sufficient notice to all persons entitled to notice; and
14 (d) meets all applicable requirements of any applicable law and due process requirements.

15 5. Final Settlement Approval. The terms and provisions of the Settlement as
16 embodied by the parties' Stipulation have been entered into in good faith and are hereby
17 fully and finally approved as fair, reasonable, adequate, and in the best interests of the
18 Class, and in full compliance with all applicable requirements of the Arizona Rules of
19 Civil Procedure and any other applicable law or due process requirements. The parties to
20 the Stipulation are hereby directed to comply with the terms of the Stipulation and this
21 Order.

22 6. Release by the Class.

23 (a) Upon the Effective Date, the Plaintiff and each Class member shall be
24 deemed to have, and by operation of the Order and Final Judgment shall have, fully,
25 finally, and forever released, relinquished, and discharged: (i) all Released Claims against
26 the Released Persons; and (ii) against each and all of the Released Persons, all claims
27 (including Unknown Claims) arising out of, relating to, or in connection with, the defense,
28 settlement, or resolution of the Action or the Released Claims;

1 (b) Upon the Effective Date, the Plaintiff and each Class member shall be
2 permanently barred and enjoined from the assertion, institution, maintenance, prosecution,
3 or enforcement against the Released Parties, in any state or federal court or arbitral or other
4 forum, or in the court of any other jurisdiction, whether domestic or foreign, of any and all
5 Released Claims, and any and all claims (including Unknown Claims) arising out of,
6 relating to, or in connection with, the defense, settlement, or resolution of the Action or the
7 Released Claims; and

8 (c) Upon the Effective Date, each of the Defendants shall be deemed to
9 have, and by operation of the Order and Final Judgment shall have, fully, finally, and
10 forever released, relinquished, and discharged each and all of Plaintiff, Plaintiff's Counsel
11 and the Class from all claims (including Unknown Claims) arising out of, relating to, or in
12 connection with, the institution, prosecution, assertion, settlement, or resolution of the
13 Action or the Released Claims.

14 7. Retention of Jurisdiction. Without affecting the finality of this Order and
15 Final Judgment in any way, this Court hereby retains continuing jurisdiction over
16 implementation and enforcement of the Settlement and the Stipulation and all parties
17 hereto for the purpose of implementing and enforcing the Settlement and the Stipulation.

18 8. Dismissal of Action. The Action and all claims contained herein, including
19 all individual and Class claims, are hereby dismissed with prejudice on the merits, without
20 attorneys' fees, costs and expenses of litigation except as set forth herein or in the
21 Stipulation.

22 9. No Admissions. Neither the Stipulation nor the Settlement, nor any act
23 performed or document executed pursuant to or in furtherance of the Stipulation or the
24 Settlement, nor this Order and Final Judgment: (a) is or may be deemed to be or may be
25 used as an admission of, or evidence of, the validity of any Released Claim, or of any
26 wrongdoing or liability of the Released Persons; (b) is or may be deemed to be or may be
27 used as an admission of, or evidence of, any fault or omission of any of the Released
28 Persons in any civil, criminal, or administrative proceeding in any court, administrative

1 agency, or other tribunal; or (c) is or may be deemed to be or may be used or offered as an
2 admission that Plaintiff or any member of the Class has or has not suffered any damage as
3 a result of the facts described in the Action, or as to the merit or lack of merit of any claim
4 asserted or any that could have been asserted in the Action. The Released Persons may file
5 the Stipulation and/or the Order and Final Judgment in any action that may be brought
6 against them in order to support a defense or counterclaim based on principles of *res*
7 *judicata*, collateral estoppel, release, good faith settlement, judgment bar or reduction, or
8 any other theory of claim preclusion or issue preclusion or similar defense or counterclaim.

9 10. Non-Consummation of Settlement. In the event that the Settlement does not
10 become effective in accordance with the terms of the Stipulation or is not consummated for
11 any reason, or the Stipulation terminates according to its provisions, then this Order and
12 Final Judgment shall be rendered null and void and shall be vacated and, in such event, all
13 orders entered and releases given in connection herewith shall be null and void, *nunc pro*
14 *tunc*, except that any modifications, reversal, or vacation of any award of attorneys' fees
15 and expenses to Plaintiff's Counsel shall in no way disturb or affect any other part of this
16 Order and Final Judgment.

17 11. This Judgment is a final judgment as defined in Ariz. R. Civ. P. 58
18 and shall be entered forthwith by the Clerk of the Court.

19
20
21
22
23
24
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Date: _____

Hon. Arthur Anderson
Maricopa County Superior Court Judge