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In re ICONIX BRAND GROUP, INC., et al. : Civil Action No. 1:15-cv-04860-PGG

: CLASS ACTION
This Document Relates To: :
ALL ACTIONS. x

NOTICE OF PENDENCY AND PROPOSED SETTLEMENT OF CLASS ACTION

TO: ALL PERSONS AND ENTITIES THAT PURCHASED OR OTHERWISE ACQUIRED ICONIX BRAND GROUP, INC. (“ICONIX”) SECURITIES FROM FEBRUARY 22, 2012 THROUGH NOVEMBER 5, 2015, INCLUSIVE (“CLASS” OR “CLASS MEMBERS”)

IN ORDER TO QUALIFY FOR A SETTLEMENT PAYMENT, YOU MUST TIMELY SUBMIT A PROOF OF CLAIM AND RELEASE FORM (“PROOF OF CLAIM”) BY JANUARY 6, 2020.

THIS NOTICE WAS AUTHORIZED BY THE COURT. IT IS NOT A LAWYER SOLICITATION. PLEASE READ THIS NOTICE CAREFULLY AND IN ITS ENTIRETY.

WHY SHOULD I READ THIS NOTICE?

This Notice is given pursuant to an order issued by the United States District Court for the Southern District of New York (the “Court”). This Notice serves to inform you of the proposed settlement of the above-captioned class action lawsuit for \$6,000,000 in cash (the “Settlement”) and the hearing (the “Settlement Fairness Hearing”) to be held by the Court to consider the fairness, reasonableness, and adequacy of the Settlement, as set forth in the Stipulation of Settlement and Release, dated September 16, 2019 (the “Stipulation”),¹ by and between Lead Plaintiffs City of Atlanta Firefighters’ Pension Fund and City of Atlanta Police Officers’ Pension Fund (“Lead Plaintiffs”), on behalf of themselves and the Class (as defined below), and Defendants Iconix, Neil Cole, Warren Clamen, Jeff Lupinacci, David Blumberg, Seth Horowitz, David K. Jones, and F. Peter Cuneo (collectively, “Defendants”) (together with Lead Plaintiffs, the “Settling Parties”).²

This Notice is intended to inform you how this lawsuit and proposed Settlement may affect your rights and what steps you may take in relation to it. This Notice is NOT an expression of any opinion by the Court as to the merits of the claims or defenses asserted in the lawsuit or whether the Defendants engaged in any wrongdoing.

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT	
SUBMIT A PROOF OF CLAIM	The only way to be eligible to receive a payment from the Settlement. Proofs of Claim must be postmarked (if mailed) or received (if submitted online) on or before January 6, 2020.
EXCLUDE YOURSELF FROM THE SETTLEMENT BY SUBMITTING A WRITTEN REQUEST FOR EXCLUSION	Get no payment. This is the only option that <i>potentially</i> allows you to ever be part of any other lawsuit against any of the Defendants or any other Released Defendant Parties about the legal claims being resolved by this Settlement. Should you elect to exclude yourself from the Class, you should understand that Defendants and the other Released Defendant 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. Exclusions must be postmarked on or before December 30, 2019.
OBJECT TO THE SETTLEMENT BY SUBMITTING A WRITTEN OBJECTION	Write to the Court about why you do not like the Settlement, the Plan of Allocation and/or the request for attorneys’ fees and expenses. You will still be a Member of the Class. Objections must be received by the Court and counsel for the Settling Parties on or before December 30, 2019.
GO TO THE HEARING ON JANUARY 23, 2020, AND FILE A NOTICE OF INTENTION TO APPEAR	Ask to speak in Court about the fairness of the Settlement. Requests to speak must be received by the Court and counsel for the Settling Parties on or before December 30, 2019. If you submit a written objection, you may (but you do not have to) attend the hearing.
DO NOTHING	Receive no payment. You will, however, still be a Class Member, which means that you give up your right to ever be part of any other lawsuit against the Defendants or any other Released Defendant Parties about the legal claims being resolved by this Settlement and you will be bound by any judgments or orders entered by the Court in the Litigation.

¹ The Stipulation can be viewed and/or downloaded at www.IconixSecuritiesSettlement.com. All capitalized terms used herein have the same meaning as the terms defined in the Stipulation.
² Please note that the Stipulation does not address, curtail or otherwise resolve Lead Plaintiffs’ claims against Defendant BDO USA, LLP (“BDO”). BDO is not a party to the Stipulation, and Lead Plaintiffs’ claims against BDO therefore remain pending in the Litigation.

SUMMARY OF THIS NOTICE

Description of the Litigation and the Class

This Notice relates to a proposed settlement of claims in a pending securities class action brought by Iconix investors alleging, among other things, that Defendants violated the federal securities laws by making false and misleading statements during the Class Period. A more detailed description of the Litigation is set forth on pages 3-4 below. The proposed Settlement, if approved by the Court, will settle claims of the Class, as defined on page 4 below.

Statement of Class Recovery

Pursuant to the Settlement described herein, a \$6 million settlement fund has been established (the "Settlement Amount"). The Settlement Amount and any interest earned thereon is the "Settlement Fund." The Settlement Fund, less (a) any taxes, (b) any Notice and Administration Expenses, and (c) any attorneys' fees and litigation expenses (including any reimbursement to Lead Plaintiffs of their costs and expenses in representing the Class) awarded by the Court, will be distributed to Class Members in accordance with a plan of allocation that is approved by the Court. The proposed plan of allocation (the "Plan of Allocation") is set forth on pages 4-6 below. Based on Lead Plaintiffs' estimate of the number of shares of Iconix common stock damaged during the Class Period, the average distribution per share under the Plan of Allocation is roughly \$0.08, before deduction of any taxes on the income earned on the Settlement Fund, Notice and Administration Expenses, and allowable attorneys' fees and expenses (including any reimbursement to Lead Plaintiffs) as determined by the Court. **Class Members should note, however, that these are only estimates.** A Class Member's actual recovery will be a proportion of the Net Settlement Fund determined by that claimant's claims as compared to the total claims of all Class Members who submit acceptable Proofs of Claim. An individual Class Member may receive more or less than this estimated average amount. See Plan of Allocation set forth and discussed at pages 4-6 below for more information on the calculation of your claim.

Statement of Potential Outcome of Case

The Settling Parties disagree on both liability and damages and do not agree on the amount of damages per share, if any, that would be recoverable if the Class prevailed on each claim alleged. Defendants deny that they are liable to the Class and deny that the Class has suffered any injury or damages. The issues on which the parties disagree are many, but include: (1) whether Defendants engaged in conduct that would give rise to any liability to the Class under the federal securities laws; (2) whether Defendants have valid defenses to any such claims of liability; (3) the appropriate economic model for determining the amount by which the price of Iconix common stock was allegedly artificially inflated (if at all) during the Class Period; (4) the amount, if any, by which the price of Iconix common stock was allegedly artificially inflated (if at all) during the Class Period; (5) the effect of various market forces on the price of Iconix common stock at various times during the Class Period; (6) the extent to which external factors influenced the price of Iconix common stock at various times during the Class Period; (7) the extent to which the various matters that Lead Plaintiffs alleged were materially false or misleading influenced (if at all) the price of Iconix common stock at various times during the Class Period; and (8) the extent to which the various allegedly adverse material facts that Lead Plaintiffs alleged were omitted influenced (if at all) the price of Iconix common stock at various times during the Class Period.

Statement of Attorneys' Fees and Expenses Sought

Lead Counsel will apply to the Court for an award of attorneys' fees of up to twenty-five percent (25%) of the Settlement Amount, plus expenses not to exceed \$250,000, plus interest earned on both amounts at the same rate as earned by the Settlement Fund. Since the Litigation's inception, Lead Counsel have expended considerable time and effort in the prosecution of this Litigation on a wholly contingent basis and have advanced the expenses of the Litigation in the expectation that if they were successful in obtaining a recovery for the Class they would be paid from such recovery. The requested attorneys' fees and expenses amount to an average cost of approximately \$0.02 per allegedly damaged Iconix common share. The average cost per damaged share will vary depending on the number of acceptable Proofs of Claim submitted. In addition, as part of that application, Lead Plaintiffs may request an amount not to exceed \$5,000 each pursuant to 15 U.S.C. §78u-4(a)(4) in connection with their representation of the Class.

Further Information

For further information regarding the Litigation, this Notice or to review the Stipulation, please contact the Claims Administrator toll-free at 1-888-788-4790, or visit the website www.IconixSecuritiesSettlement.com.

You may also contact a representative of counsel for the Class: Rick Nelson, Shareholder Relations, Robbins Geller Rudman & Dowd LLP, 655 West Broadway, Suite 1900, San Diego, CA 92101, 1-800-449-4900, www.rgrdlaw.com.

Please Do Not Call the Court or Defendants with Questions About the Settlement.

Reasons for the Settlement

Lead Plaintiffs' principal reason for entering into the Settlement is the benefit to the Class now, without the further risk or delays inherent in continued litigation. The cash benefit under the Settlement must be considered against the significant risk that a smaller recovery – or, indeed, no recovery at all – might result after contested motions, trial, and likely appeals, a process that could last several years into the future.

Defendants have denied and continue to deny each and all of the claims alleged by Lead Plaintiffs in the Litigation. 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. Defendants also have denied and continue to deny, among other things, the allegations that Lead Plaintiffs or the Class have suffered any damage, or that Lead Plaintiffs or the Class were harmed by the conduct alleged in the Litigation. For Defendants, the principal reason for entering into the Settlement is to eliminate the uncertainty, risk, costs, and burdens inherent in any litigation, especially in complex cases such as this Litigation.

WHAT IS THIS LAWSUIT ABOUT?

I. THE ALLEGATIONS

The Litigation is currently pending before the Honorable Paul G. Gardephe in the United States District Court for the Southern District of New York (the "Court"). The initial complaints in this action were filed on June 23, 2015. On March 14, 2016, the Court appointed Lead Plaintiffs and, as Lead Counsel, Robbins Geller Rudman & Dowd LLP and Saxena White P.A.

Lead Plaintiffs' Second Consolidated Amended Complaint alleges that Defendants violated sections 10(b) and 20(a) of the Securities Exchange Act of 1934 by issuing materially false and misleading statements regarding aspects of its accounting treatment, including concerning overseas joint ventures Iconix entered into to conceal its deteriorating financial condition. Specifically, Lead Plaintiffs allege that Iconix formed overseas joint ventures, "sold" a purportedly 50% stake to local partners for millions of dollars, then immediately booked the entire purchase price – of which the joint venture partners paid only a fraction at closing, with the majority due in installments over a number of years – as profits for Iconix. Lead Plaintiffs allege that, throughout the Class Period, Defendants repeatedly assured the SEC and investors that the joint venture partners were obligated to pay their installments in full; that these partners were "well-capitalized" and "predetermined" to pay; and that if they did not pay, Iconix had "full recourse" and would sue to collect. Lead Plaintiffs allege that these highly material statements, made in direct response to an SEC inquiry into Iconix's joint venture accounting, were false.

Defendants deny all of Lead Plaintiffs' allegations, contending they did not make any false or misleading statements, and that they disclosed all information required to be disclosed by the federal securities laws.

Lead Plaintiffs have also asserted section 10(b) violations against BDO USA, LLP ("BDO"), an accounting, audit and consulting firm that served as Iconix's auditor during the Class Period. Lead Plaintiffs allege that BDO conspired with Defendants to fraudulently conceal the true nature of the joint ventures. Lead Plaintiffs' claims against BDO are not resolved by the Settlement, and are ongoing.

THE COURT HAS NOT RULED AS TO WHETHER DEFENDANTS ARE LIABLE TO LEAD PLAINTIFFS OR TO THE CLASS. THIS NOTICE IS NOT INTENDED TO BE AN EXPRESSION OF ANY OPINION BY THE COURT WITH RESPECT TO THE TRUTH OF THE ALLEGATIONS IN THIS LITIGATION OR THE MERITS OF THE CLAIMS OR DEFENSES ASSERTED. THIS NOTICE IS SOLELY TO ADVISE YOU OF THE PROPOSED SETTLEMENT OF THIS ACTION AND YOUR RIGHTS IN CONNECTION WITH THAT SETTLEMENT.

II. PROCEDURAL HISTORY

As noted, the initial complaints were filed on June 23, 2015, and the Court appointed Lead Plaintiffs and Lead Counsel on March 14, 2016. Lead Plaintiffs filed their Consolidated Amended Complaint against Defendants on May 13, 2016. Defendants jointly moved to dismiss the Consolidated Amended Complaint on July 27, 2016, arguing that Lead Plaintiffs had failed to allege a strong inference of scienter as to each defendant, had failed to plead the falsity of many of the alleged misstatements, had failed to plead loss causation for many of the alleged misstatements, and had failed to allege control-person liability.

Lead Plaintiffs opposed Defendants' joint motion on September 27, 2016, rebutting each of Defendants' arguments, and Defendants served their reply in further support of the joint motion on October 27, 2016. Defendants' joint motion was still pending at the time the Settling Parties reached agreement on the Settlement.

During the pendency of Defendants' joint motion, the parties agreed to participate in a mediation, which occurred on June 14, 2017, before two JAMS mediators, the Hon. Daniel Weinstein (Ret.) and Jed D. Melnick, Esq. The case did not settle at that time.

On October 25, 2017, Judge Gardephe granted Defendants' motion to dismiss, concluding that Lead Plaintiffs had failed to plead a strong inference of scienter. *See In re Iconix Brand Group, Inc.*, No. 15 Civ. 4860 (PGG), 2017 WL 4898228 (S.D.N.Y. Oct. 25, 2017). Specifically, the Court ruled that Lead Plaintiffs had not sufficiently alleged Defendants' "motive and opportunity" to engage in fraud because: (i) Defendants' performance-based compensation, alleged in the Consolidated

Amended Complaint, was common to most corporate officers; (ii) Defendants' Class Period insider sales were not suspicious in timing or amount; and (iii) certain Defendants' net holdings of Iconix stock increased over the Class Period.

The Court also concluded that Lead Plaintiffs failed to plead a strong inference of scienter through allegations of "conscious misbehavior or recklessness" because BDO – Iconix's Class Period independent auditor – "did not detect, observe, or otherwise note any improprieties in Iconix's financial accounting . . . over three consecutive audit years . . ." Based on these conclusions, the Court dismissed the Consolidated Amended Complaint.

At the same time, the Court granted Lead Plaintiffs' request to amend the Consolidated Amended Complaint. Thus, in an effort to address each of the Court's concerns, and after substantial additional work, Lead Plaintiffs filed their Second Consolidated Amended Complaint on November 14, 2017. The Second Consolidated Amended Complaint, at 479 paragraphs, is 106 paragraphs longer than the Consolidated Amended Complaint, includes substantial additional detail about Defendants' alleged misconduct, and adds BDO as a defendant, alleging that BDO conspired with Defendants to fraudulently conceal the true nature of the joint ventures at issue.

In response to the Second Consolidated Amended Complaint, Defendants prepared a joint motion to dismiss dated February 2, 2018, and BDO separately moved to dismiss that same day. As they had in their first motion to dismiss, Defendants argued that Lead Plaintiffs failed to adequately allege scienter, falsity, loss causation, and control-person liability. BDO argued that Lead Plaintiffs failed to plead scienter, falsity, and loss causation. Lead Plaintiffs served their omnibus opposition to Defendants' and BDO's motions to dismiss on March 29, 2018, rebutting each defense asserted, and Defendants and BDO served their replies in further support of their motions on April 27, 2018.

During the pendency of Defendants' and BDO's motions to dismiss, Defendants and Lead Plaintiffs – both independently and with the aid of the mediators – resumed the settlement discussions begun during the June 2017 mediation. Those renewed efforts culminated in a mediator's proposal for \$6 million, which the parties accepted on July 31, 2019.

BDO, which did not participate in the renewed settlement discussions, is not a party to the proposed Settlement, and litigation against BDO is ongoing.

HOW DO I KNOW IF I AM A CLASS MEMBER?

If you purchased or otherwise acquired Iconix common stock from February 22, 2012 through November 5, 2015, inclusive, you are a Class Member. As set forth in the Stipulation, excluded from the Class are: (i) Defendants; (ii) members of the immediate family of each Individual Defendant; (iii) any person who was an officer or director of Iconix during the Class Period; (iv) any firm, trust, corporation, officer, or other entity in which any Defendant has or had a controlling interest; and (v) the legal representatives, agents, affiliates, heirs, beneficiaries, successors-in-interest, or assigns of any such excluded party. Also excluded from the Class is any Person who timely and validly requests exclusion pursuant to the requirements described on page 8 below.

PLEASE NOTE: Receipt of this Notice does not mean that you are a Class Member or that you will be entitled to receive a payment from the Settlement. If you are a Class Member and you wish to be eligible to participate in the distribution of proceeds from the Settlement, you are required to submit the Proof of Claim that is being distributed with this Notice and the required supporting documentation as set forth therein postmarked or submitted online on or before January 6, 2020.

WHAT IS THE MONETARY VALUE OF THE PROPOSED SETTLEMENT?

The Settlement, if approved, will result in the creation of a cash settlement fund of \$6,000,000. This fund, plus accrued interest and minus the costs of this Notice and all costs associated with the administration of the Settlement, Taxes and Tax Expenses, as well as attorneys' fees and expenses, and the payment of Lead Plaintiffs' costs and expenses in representing the Class, as approved by the Court (the "Net Settlement Fund"), will be distributed to eligible Class Members pursuant to the Plan of Allocation that is described in the next section of this Notice.

WHAT IS THE PROPOSED PLAN OF ALLOCATION?

The objective of the Plan of Allocation is to equitably distribute the Net Settlement Fund among Class Members based on their respective alleged economic losses resulting from the securities law violations alleged in the Litigation.

The Claims Administrator shall determine each Class Member's share of the Net Settlement Fund based upon the recognized loss formula (the "Recognized Claim") described below. A Recognized Claim will be calculated for each share of Iconix common stock purchased or otherwise acquired during the Class Period. The calculation of a Recognized Claim will depend upon several factors, including when the Iconix common stock was purchased or otherwise acquired and in what amounts, whether the shares were ever sold, and, if so, when they were sold and for what amounts. The Recognized Claim is not intended to estimate the amount a Class Member might have been able to recover after a trial, nor to estimate the amount that will be paid to Class Members pursuant to the Settlement. The Recognized Claim is the basis upon which the Net Settlement Fund will be proportionately allocated to Class Members.

Your share of the Net Settlement Fund will depend on the number of valid Proofs of Claim that Class Members send in and how many shares of Iconix common stock you purchased or otherwise acquired during the Class Period, and whether you sold any of those shares and when you sold them.

PLAN OF ALLOCATION

The allocation below is based on the following inflation per share amounts for Class Period common stock purchases and sales as well as the statutory Private Securities Litigation Reform Act of 1995 (“PSLRA”) 90 day-look back amount of \$6.42. Furthermore, if any of the formulas set forth below yield an amount less than \$0.00, the claim per share is \$0.00.

Inflation Period	Inflation per Share
February 12, 2012 – December 14, 2014	\$26.97
December 15, 2014 – February 25, 2015	\$24.78
February 26, 2015 – March 30, 2015	\$23.74
March 31, 2015 – April 19, 2015	\$21.12
April 20, 2015 – August 6, 2015	\$14.30
August 7, 2015 – August 9, 2015	\$9.66
August 10, 2015 – November 5, 2015	\$9.14

For shares of Iconix common stock ***purchased, or acquired, on or between February 22, 2012 through and including November 5, 2015***, the claim per share shall be as follows:

- (a) If sold prior to December 15, 2014, the claim per share is \$0.00.
- (b) If sold on or between December 15, 2014 through and including November 5, 2015, the claim per share shall be the lesser of: (i) the inflation per share at the time of purchase less the inflation per share at the time of sale; and (ii) the difference between the purchase price and the selling price.
- (c) If retained at the end of November 5, 2015 and sold on or before February 3, 2016, the claim per share shall be the least of: (i) the inflation per share at the time of purchase; (ii) the difference between the purchase price and the selling price; and (iii) the difference between the purchase price and the average closing price up the date of sale as set forth in the table below.
- (d) If retained at the close of trading on February 3, 2016, or sold thereafter, the claim per share shall be the lesser of: (i) the inflation per share at the time of purchase; and (ii) the difference between the purchase price and \$6.42.

Date	Price	Average Closing Price
11/6/2015	\$6.90	\$6.90
11/9/2015	\$7.05	\$6.98
11/10/2015	\$7.22	\$7.06
11/11/2015	\$7.05	\$7.06
11/12/2015	\$7.07	\$7.06
11/13/2015	\$6.96	\$7.04
11/16/2015	\$7.00	\$7.04
11/17/2015	\$6.40	\$6.96
11/18/2015	\$6.29	\$6.88
11/19/2015	\$6.34	\$6.83
11/20/2015	\$6.40	\$6.79
11/23/2015	\$6.90	\$6.80
11/24/2015	\$7.01	\$6.81
11/25/2015	\$7.07	\$6.83
11/27/2015	\$7.06	\$6.85
11/30/2015	\$7.04	\$6.86
12/1/2015	\$6.98	\$6.87
12/2/2015	\$7.03	\$6.88
12/3/2015	\$6.93	\$6.88
12/4/2015	\$6.82	\$6.88
12/7/2015	\$6.46	\$6.86
12/8/2015	\$6.10	\$6.82
12/9/2015	\$6.13	\$6.79
12/10/2015	\$6.91	\$6.80
12/11/2015	\$6.61	\$6.79
12/14/2015	\$6.10	\$6.76
12/15/2015	\$6.12	\$6.74
12/16/2015	\$6.30	\$6.72
12/17/2015	\$6.59	\$6.72
12/18/2015	\$6.74	\$6.72
12/21/2015	\$6.97	\$6.73
12/22/2015	\$7.17	\$6.74
12/23/2015	\$7.49	\$6.76

Date	Price	Average Closing Price
12/24/2015	\$7.45	\$6.78
12/28/2015	\$5.67	\$6.75
12/29/2015	\$5.84	\$6.73
12/30/2015	\$6.18	\$6.71
12/31/2015	\$6.83	\$6.72
1/4/2016	\$6.86	\$6.72
1/5/2016	\$6.40	\$6.71
1/6/2016	\$6.41	\$6.70
1/7/2016	\$5.90	\$6.68
1/8/2016	\$5.37	\$6.65
1/11/2016	\$5.04	\$6.62
1/12/2016	\$5.46	\$6.59
1/13/2016	\$5.37	\$6.57
1/14/2016	\$5.43	\$6.54
1/15/2016	\$5.35	\$6.52
1/19/2016	\$5.05	\$6.49
1/20/2016	\$5.16	\$6.46
1/21/2016	\$5.38	\$6.44
1/22/2016	\$5.76	\$6.43
1/25/2016	\$5.83	\$6.41
1/26/2016	\$6.56	\$6.42
1/27/2016	\$6.25	\$6.41
1/28/2016	\$6.31	\$6.41
1/29/2016	\$6.64	\$6.42
2/1/2016	\$6.63	\$6.42
2/2/2016	\$6.22	\$6.42
2/3/2016	\$6.80	\$6.42

In the event a Class Member has more than one purchase or acquisition or sale of Iconix common stock during the Class Period, all such purchases and sales shall be matched on a First-In, First-Out (“FIFO”) basis. Sales will be matched against purchases in chronological order, beginning with the earliest purchase made during the relevant period.

A purchase, acquisition or sale of Iconix common stock shall be deemed to have occurred on the “contract” or “trade” date as opposed to the “settlement” or “payment” date. All purchase, acquisition and sale prices shall exclude any fees and commissions. The receipt or grant by gift, devise, or operation of law of Iconix common stock during the Class Period shall not be deemed a purchase, acquisition or sale of Iconix common stock for the calculation of a claimant’s Recognized Claim nor shall it be deemed an assignment of any claim relating to the purchase or acquisition of such shares unless specifically provided in the instrument of gift or assignment. The receipt of Iconix common stock during the Class Period in exchange for securities of any other corporation or entity shall not be deemed a purchase, acquisition or sale of Iconix common stock.

With respect to Iconix common stock purchased or sold through the exercise of an option, the purchase/sale date of the shares is the exercise date of the option and the purchase/sale price of the share is the exercise price of the option. Any Recognized Claim arising from purchases of Iconix common stock acquired during the Class Period through the exercise of an option on Iconix common stock shall be computed as provided for other purchases of Iconix common stock in the Plan of Allocation.

The total of all profits shall be subtracted from the total of all losses from transactions during the Class Period to determine if a Class Member has a Recognized Claim. Only if a Class Member had a net market loss, after all profits from transactions in Iconix common stock during the Class Period are subtracted from all losses, will such Class Member be eligible to receive a distribution from the Net Settlement Fund.

If an Authorized Claimant has an overall market gain, the Recognized Claim for that Authorized Claimant will be \$0.00. The Claims Administrator shall allocate to each Authorized Claimant a *pro rata* share of the Net Settlement Fund based on his, her, or its Recognized Claim as compared to the total Recognized Claims of all Authorized Claimants. No distribution shall be made to Authorized Claimants who would otherwise receive a distribution of less than \$10.00.

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 shall have any claim against Lead Plaintiffs, Lead Counsel, any Claims Administrator, any other Person designated by Lead Counsel, or any of the Released Defendant Parties based on the distributions made substantially in accordance with the Stipulation and the Settlement contained therein, the Plan of Allocation, or further orders of the Court. All Class Members who fail to complete and submit 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.

DO I NEED TO CONTACT LEAD COUNSEL IN ORDER TO PARTICIPATE IN DISTRIBUTION OF THE SETTLEMENT FUND?

No. If you have received this Notice and timely submit your Proof of Claim to the designated address, you need not contact Lead Counsel. If your address changes, please contact the Claims Administrator at:

Iconix Securities Settlement
Claims Administrator
c/o Gilardi & Co. LLC
P.O. Box 43305
Providence, RI 02940-3305
Telephone: 1-888-788-4790
www.IconixSecuritiesSettlement.com

THERE WILL BE NO PAYMENTS IF THE STIPULATION IS TERMINATED

The Stipulation may be terminated under several circumstances outlined in it. If the Stipulation is terminated, the Litigation will proceed as if the Stipulation had not been entered into.

WHAT ARE THE REASONS FOR SETTLEMENT?

The Settlement was reached after contested motion practice directed to the sufficiency of Lead Plaintiffs' claims. The parties also retained experts. Nevertheless, the Court has not reached any final decisions in connection with Lead Plaintiffs' claims against Defendants. Instead, Lead Plaintiffs and Defendants have agreed to this Settlement, which was reached with the substantial assistance of a highly respected mediator. In reaching the Settlement, the parties have avoided the cost, delay and uncertainty of further litigation.

As in any litigation, Lead Plaintiffs and the proposed 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 Lead Plaintiffs succeeded, Defendants would file appeals that would postpone final resolution of the case. Continuation of the Litigation 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.

Lead Plaintiffs and Lead Counsel believe that this Settlement is fair and reasonable to the Members of the Class. They have reached this conclusion for several reasons. Specifically, if the Settlement is approved, the Class will receive a certain and immediate monetary recovery. Additionally, Lead 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 very favorable result for the Class.

Defendants are entering into this Settlement solely to eliminate the burden and expense of further litigation. Defendants have determined that it is desirable and beneficial to them that the Litigation be settled in the manner and upon the terms and conditions set forth in the Stipulation.

WHO REPRESENTS THE CLASS?

The following attorneys are counsel for the Class:

Mark Millkey
ROBBINS GELLER RUDMAN & DOWD LLP
58 South Service Road, Suite 200
Melville, NY 11747
Telephone: 800/449-4900

Joseph E. White, III
SAXENA WHITE P.A.
150 East Palmetto Park Road, Suite 600
Boca Raton, FL 33432
Telephone: 561/394-3399

If you have any questions about the Litigation, or the Settlement, you are entitled to consult with Lead Counsel by contacting counsel at the phone numbers listed above.

You may obtain a copy of the Stipulation by contacting the Claims Administrator at:

Iconix Securities Settlement
Claims Administrator
c/o Gilardi & Co. LLC
P.O. Box 43305
Providence, RI 02940-3305
Telephone: 1-888-788-4790
www.IconixSecuritiesSettlement.com

HOW WILL THE LEAD PLAINTIFFS' LAWYERS BE PAID?

Lead Counsel will file a motion for an award of attorneys' fees and expenses that will be considered at the Settlement Fairness Hearing. Lead Counsel will apply for an attorneys' fee award in the amount of up to 25% of the Settlement Amount, plus payment of expenses incurred in connection with this Litigation in an amount not to exceed \$250,000, plus interest on both amounts at the same rate and for the same period as earned by the Settlement Fund. In addition, Lead Plaintiffs may seek a payment of up to \$5,000 each in connection with their efforts in representing the Class. Such sums as may be approved by the Court will be paid from the Settlement Fund. Class Members are not personally liable for any such fees or expenses.

The attorneys' fees and expenses requested will be the only payment to Lead Counsel for their efforts in achieving this Settlement and for their risk in undertaking this representation on a wholly contingent basis. The fees requested will compensate Lead Counsel for their work in achieving the Settlement. The Court will decide what constitutes a reasonable fee award and may award less than the amount requested by Lead Counsel.

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 and dated letter by mail saying that you want to be excluded from the Class in the following Litigation: *In re Iconix Brand Group, Inc., et al.*, No. 1:15-cv-04860-PGG. Be sure to include your name, address, telephone number, and the date(s), price(s), and number of shares of Iconix common stock that you purchased or acquired during the Class Period. Your exclusion request must be **postmarked no later than December 30, 2019**, and sent to the Claims Administrator at:

Iconix Securities Settlement
Claims Administrator
c/o Gilardi & Co. LLC
EXCLUSIONS
3301 Kerner Blvd.
San Rafael, CA 94901

You cannot exclude yourself by phone or by e-mail. 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.

CAN I OBJECT TO THE SETTLEMENT, THE REQUESTED ATTORNEYS' FEES, THE REQUESTED PAYMENT OF EXPENSES AND/OR THE PLAN OF ALLOCATION?

Yes. If you are a Class Member, you may object to the terms of the Settlement. Whether or not you object to the terms of the Settlement, you may also object to the requested attorneys' fees and expenses, Lead Plaintiffs' request for payment for representing the Class and/or the Plan of Allocation. In order for any objection to be considered, you must file a written statement with the Clerk of the Court and send a copy to Lead Counsel and Defendants' Counsel, at the addresses listed below so that it is **received by December 30, 2019**. Any objection must: (i) state the name, address, and telephone number of the objector and must be signed by the objector; (ii) state that the objector is objecting to the proposed Settlement, Plan of Allocation, and/or application for attorneys' fees or expenses in this Litigation; (iii) state the objection(s) and the specific reasons for each objection, including any legal and evidentiary support the objector wishes to bring to the Court's attention; (iv) state whether the objection applies only to the objector, to a specific subset of the Class, or to the entire Class; and (v) include documents sufficient to prove the objector's membership in the Class, such as the number of shares of Iconix common stock purchased or acquired during the Class Period, as well as the dates and prices of each such purchase or acquisition. The Clerk of the Court's address is: Daniel Patrick Moynihan United States Courthouse, 500 Pearl Street, New York, NY 10007; Lead Counsel's address is: Robbins Geller Rudman & Dowd LLP, 58 South Service Road, Suite 200, Melville, NY 11747, c/o Mark Millkey; Defendants' Counsel's address is: Skadden, Arps, Slate, Meagher & Flom LLP, Four Times Square, New York, NY

10036, c/o Scott D. Musoff. Attendance at the Settlement Fairness Hearing is not necessary; however, persons wishing to be heard orally at the Settlement Fairness Hearing are required to indicate in their written objection their intention to appear at the hearing and identify any witnesses they may call to testify and exhibits, if any, they intend to introduce into evidence.

WHAT IS THE DIFFERENCE BETWEEN OBJECTING AND EXCLUDING MYSELF FROM THE SETTLEMENT?

Objecting is telling the Court that you do not like something about the proposed Settlement, the Plan of Allocation, Lead Counsel's request for an award of attorneys' fees and expenses, or Lead Plaintiffs' request for payment for representing the Class. You can object only if you stay in the Class. Excluding yourself is telling the Court that you do not want to be part of the Class. If you exclude yourself, you have no basis to object because the case no longer applies to you.

WHAT ARE MY RIGHTS AND OBLIGATIONS UNDER THE SETTLEMENT?

If you are a Class Member and you do not exclude yourself from the Class, you may receive the benefit of, and you will be bound by, the terms of the Settlement described in this Notice, upon approval by the Court.

HOW CAN I GET A PAYMENT?

In order to qualify for a payment, you must timely complete and return the Proof of Claim that accompanies this Notice. A Proof of Claim is enclosed with this Notice and also may be downloaded at www.IconixSecuritiesSettlement.com. Read the instructions carefully; fill out the Proof of Claim; sign it; and mail or submit it online so that it is **postmarked (if mailed) or received (if submitted online) no later than January 6, 2020**. The Proof of Claim may be submitted online at www.IconixSecuritiesSettlement.com. If you do not submit a timely Proof of Claim with all of the required information, you will not receive a payment from the Settlement Fund; however, unless you expressly exclude yourself from the Class as described above, you will still be bound in all other respects by the Settlement, the Judgment, and the release contained in them.

WHAT CLAIMS WILL BE RELEASED BY THE SETTLEMENT?

If the Settlement is approved by the Court, the Court will enter a Judgment. If the Judgment becomes final pursuant to the terms of the Stipulation, all Class Members shall be deemed to have, and by operation of the Final Judgment shall have, fully, finally, and forever released, relinquished, and discharged any and all of the Released Defendant Parties from all Released Plaintiffs' Claims.

- "Released Defendant Party" or "Released Defendant Parties" means each and all of the Defendants, and each of their respective direct controlling persons, associates, related or affiliated entities, and each and all of their respective past or present officers, directors, employees, partners, members, principals, agents, representatives, attorneys, auditors, financial or investment advisors, consultants, underwriters, accountants, investment bankers, commercial bankers, entities providing fairness opinions, advisors, insurers, reinsurers, heirs, spouses, executors, trustees, general or limited partners or partnerships, limited liability companies, members, joint ventures, personal or legal representatives, estates, administrators, predecessors, successors or assigns, or any member of their immediate families, marital communities, or any trusts for which any of them are trustees, settlers or beneficiaries or anyone acting or purporting to act for or on behalf of them or their successors or collectively. "Released Defendant Party" or "Released Defendant Parties" do not include Defendant BDO, who is not a party to the Stipulation.
- "Released Defendants' Claims" means as against all Plaintiffs in the Action, Lead Counsel, and all other Class Members, all claims and causes of action of every nature and description, whether known or unknown, whether arising under federal, state, common or foreign law, that arise out of or relate in any way to the institution, prosecution, or settlement of the claims against the Defendants, except for claims relating to the enforcement of the Stipulation of Settlement or any claims against any person or entity who or which submits a request for exclusion from the Class that is accepted by the Court.
- "Released Plaintiffs' Claims" means to the fullest extent that the law permits their release, of and from all claims, suits, actions, appeals, causes of action, damages (including, without limitation, compensatory, punitive, exemplary, rescissory, direct, consequential, or special damages, and restitution and disgorgement), demands, rights, debts, penalties, costs, expenses, setoffs, fees, injunctive relief, attorneys' fees, expert or consulting fees, prejudgment interest, indemnities, duties, liabilities, losses, or obligations of every nature and description whatsoever, known or unknown, whether or not concealed or hidden, accrued or unaccrued, fixed or contingent, direct or indirect, anticipated or unanticipated, whether legal, contractual, rescissory, statutory, or equitable in nature, whether arising under federal, state, common, or foreign law, against the Released Defendant Parties that are based upon, arise from, or relate to both: (i) the allegations, transactions, facts, matters, events, disclosures, public filings, acts, occurrences, representations, statements, financial statements, restatements of financial statements, accounting treatments, omissions and/or failures to act that were alleged, in the Consolidated Complaint or Second Amended Complaint and any other complaints filed in connection with this Action, or could have been

alleged by Lead Plaintiffs or any Class Member in this Action; and (ii) the purchase or acquisition of Iconix securities during the Class Period. The Released Plaintiffs' Claims will not include any claims of any person or entity who or which submits a request for exclusion that is accepted by the Court. "Released Plaintiffs' Claims" expressly includes "Unknown Claims" as defined below. "Released Plaintiffs' Claims" does **not** include Lead Plaintiffs' claims against Defendant BDO, which remain pending in the Litigation.

- "Unknown Claims" means any and all Released Plaintiffs' Claims which the Releasing Plaintiff Parties do not know or suspect to exist in their favor at the time of the release of the Released Defendant Parties, and any and all Released Defendants' Claims which the Released Defendant Parties do not know or suspect to exist in their favor at the time of the release of the Releasing Plaintiff Parties, which, if known by him, her, or it, might have affected his, her, or its settlement with and release of the Released Defendant Parties and the Releasing Plaintiff Parties, or might have affected his, her or its decision(s) with respect to the Settlement, including, but not limited to, the decision to object to the terms of the Settlement, to the release of the Released Defendant Parties and the Releasing Plaintiff Parties, or to exclude himself, herself, or itself from the Class. With respect to any and all Released Plaintiffs' Claims and Released Defendants' Claims, the Settling Parties stipulate and agree that, upon the Effective Date, the Settling Parties shall expressly waive, and each Releasing Plaintiff Party and Released Defendant Party shall be deemed to have, and by operation of the Judgment shall have expressly waived, the provisions, rights, and benefits of California Civil Code Section 1542, which provides:

A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release and that, if known by him or her, would have materially affected his or her settlement with the debtor or released party.

The Settling Parties shall expressly waive, and each Releasing Plaintiff Party and Released Defendant Party 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 any foreign country, or any principle of common law, which is similar, comparable or equivalent in substance to California Civil Code Section 1542. Lead Plaintiffs, any Releasing Plaintiff Party, Defendants, or any Released Defendant Party may hereafter discover facts, legal theories, or authorities in addition to or different from those which any of them now knows or believes to be true with respect to the subject matter of the Released Plaintiffs' Claims and the Released Defendants' Claims, but the Settling Parties shall expressly, fully, finally, and forever waive, compromise, settle, discharge, extinguish, and release, and each Releasing Plaintiff Party and Released Defendant Party shall be deemed to have waived, compromised, settled, discharged, extinguished, and released, and upon the Effective Date and by operation of the Judgment shall have waived, compromised, settled, discharged, extinguished, and released, fully, finally, and forever, any and all Released Plaintiffs' Claims and Released Defendants' Claims as applicable, known or unknown, suspected or unsuspected, contingent or absolute, accrued or unaccrued, apparent or unapparent, which now exist, or heretofore existed, or may hereafter exist, without regard to the subsequent discovery or existence of such different or additional facts, legal theories, or authorities. The Settling Parties acknowledge, and the Releasing Plaintiff Parties and Released Defendant Parties shall be deemed by operation of the Judgment to have acknowledged, that the foregoing waiver was separately bargained for and is a key element of the Settlement.

THE SETTLEMENT FAIRNESS HEARING

The Court will hold a Settlement Fairness Hearing on January 23, 2020, at 11:00 a.m., before the Honorable Paul G. Gardephe at the United States District Court for the Southern District of New York, Thurgood Marshall United States Courthouse, 40 Foley Square, Courtroom 705, New York, NY 10007, for the purpose of determining whether: (1) the Settlement as set forth in the Stipulation for \$6,000,000 in cash should be approved by the Court as fair, reasonable and adequate; (2) Judgment as provided under the Stipulation should be entered; (3) to award Lead Counsel attorneys' fees and expenses out of the Settlement Fund and, if so, in what amount; (4) to pay Lead Plaintiffs for their efforts in representing the Class out of the Settlement Fund and, if so, in what amount; and (5) the Plan of Allocation should be approved by the Court. The Court may adjourn or continue the Settlement Fairness Hearing without further notice to Members of the Class.

Any Class Member may appear at the Settlement Fairness Hearing and be heard on any of the foregoing matters; provided, however, that no such person shall be heard unless his, her, or its objection is made in writing and is filed, together with proof of membership in the Class and with copies of all other papers and briefs to be submitted by him, her, or it to the Court at the Settlement Fairness Hearing, with the Court no later than December 30, 2019, and showing proof of service on the following counsel:

Mark Millkey
ROBBINS GELLER RUDMAN & DOWD LLP
58 South Service Road, Suite 200
Melville, NY 11747

Attorneys for Lead Plaintiffs

Scott D. Musoff
SKADDEN, ARPS, SLATE,
MEAGHER & FLOM LLP
Four Times Square
New York, NY 10036

Attorneys for Defendants

Unless otherwise directed by the Court, any Class Member who does not make his, her or its objection in the manner provided shall be deemed to have waived all objections to this Settlement and shall be foreclosed from raising (in this or any other proceeding or on any appeal) any objection and any untimely objection shall be barred.

If you hire an attorney (at your own expense) to represent you for purposes of objecting, your attorney must serve a notice of appearance on counsel listed above and file it with the Clerk of the Court (at the address set out above on page 8) by no later than December 30, 2019.

INJUNCTION

The Court has issued an order enjoining all Class Members from commencing or prosecuting any action proceeding in any court or tribunal that asserts Released Plaintiffs' Claims against any Released Defendant Party, pending final determination by the Court of whether the Settlement should be approved.

HOW DO I OBTAIN ADDITIONAL INFORMATION?

This Notice contains only a summary of the terms of the proposed Settlement. The records in this Litigation may be examined and copied at any time during regular office hours, and subject to customary copying fees, at the Clerk of the United States District Court for the Southern District of New York. For a fee, all papers filed in this Litigation are available at www.pacer.gov. In addition, all of the Settlement documents, including the Stipulation, this Notice, the Proof of Claim and proposed Judgment may be obtained by contacting the Claims Administrator at:

Iconix Securities Settlement
Claims Administrator
c/o Gilardi & Co. LLC
P.O. Box 43305
Providence, RI 02940-3305
Email: info@iconixsecuritieslitigation.com
Telephone: 1-888-788-4790
www.IconixSecuritiesSettlement.com

In addition, you may contact Rick Nelson, Shareholder Relations, Robbins Geller Rudman & Dowd LLP, 655 West Broadway, Suite 1900, San Diego, CA 92101, 1-800-449-4900, if you have any questions about the Litigation or the Settlement.

DO NOT WRITE TO OR TELEPHONE THE COURT FOR INFORMATION

SPECIAL NOTICE TO BANKS, BROKERS, AND OTHER NOMINEES

If you hold any Iconix common stock purchased or acquired during the Class Period, as a nominee for a beneficial owner, then, within fourteen (14) 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:

Iconix Securities Settlement
Claims Administrator
c/o Gilardi & Co. LLC
P.O. Box 43305
Providence, RI 02940-3305
E-mail: info@Iconixsecuritieslitigation.com
Telephone: 1-888-788-4790
www.IconixSecuritiesSettlement.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: September 23, 2019

BY ORDER OF THE COURT
UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK