

Lead Plaintiff, Policemen's Annuity and Benefit Fund of Chicago, on behalf of itself and the Class, and Lead Counsel respectfully submit this memorandum of law in further support of: (i) Lead Plaintiff's motion for final approval of the Settlement and approval of the proposed Plan of Allocation; and (ii) Lead Counsel's motion for an award of attorneys' fees and expenses, including an award to Lead Plaintiff.¹

I. PRELIMINARY STATEMENT

The proposed Settlement resolves this Litigation in its entirety in exchange for a cash payment of \$15 million. As detailed in Lead Plaintiff's and Lead Counsel's opening papers (Dkt. Nos. 54-61), the Settlement is the product of hard-fought litigation and extensive arm's-length settlement negotiations, and represents a very favorable result for the Class in light of the substantial challenges that Lead Plaintiff would have faced in proving liability, loss causation and damages, and the costs and delays of continued litigation.

Pursuant to the Court's Order Preliminarily Approving Settlement and Providing for Notice (Dkt. No. 51) (the "Preliminary Approval Order"), the Claims Administrator, under the supervision of Lead Counsel, conducted an extensive notice program, including mailing over 36,900 copies of the Notice and the Proof of Claim and Release ("Claim Form") (together, "Notice Package") to potential Class Members and nominees. In response to this notice program, no Class Member has objected to any aspect of the Settlement, Plan of Allocation, or fee and expense application, and only two requests for exclusion from the Class have been received. As explained further below, this

¹ Unless otherwise noted, capitalized terms have the meanings ascribed to them in the Stipulation of Settlement (Dkt. No. 50) or in the Declaration of Henry Rosen in Support of Lead Plaintiff's Motion for Final Approval of Settlement and Approval of Plan of Allocation and Lead Counsel's Motion for an Award of Attorneys' Fees and Expenses and Award to Lead Plaintiff Pursuant to 15 U.S.C. §78u-4(a)(4) (Dkt. No. 58).

reaction of the Class further demonstrates that the proposed Settlement, the Plan of Allocation, and the request for attorneys' fees and expenses are fair and reasonable, and should be approved.

II. THE REACTION OF THE CLASS SUPPORTS APPROVAL OF THE MOTIONS

Lead Plaintiff and Lead Counsel respectfully submit that their opening papers demonstrate why approval of the motions is warranted. Now that the time for objecting or requesting exclusion from the Class has passed, the lack of any objections from the Class and only two opt-outs provides additional support for approval of the motions.

Pursuant to the Court's Preliminary Approval Order, more than 36,900 copies of the Notice Package have been mailed to potential Class Members and their nominees. *See* Declaration of Carole K. Sylvester Regarding Notice Dissemination, Publication, and Requests for Exclusion Received to Date ("Sylvester Decl.") (Dkt. No. 60), ¶11. The Notice informed Class Members of the terms of the proposed Settlement and Plan of Allocation, that Lead Counsel would apply for an award of attorneys' fees in an amount not to exceed 25% of the Settlement Fund and payment of litigation expenses in an amount not to exceed \$200,000, and that Lead Plaintiff may seek an award for its time and expenses incurred in representing the Class in an amount not to exceed \$5,000. *See* Notice (Dkt. No. 60-1), at 2, 7. The Notice also apprised Class Members of their right to object to the proposed Settlement, the Plan of Allocation and/or the request for attorneys' fees and expenses, their right to exclude themselves from the Class, and the September 29, 2017 deadline for filing objections and for requests for exclusion. *See id.* at 1, 2, 6, 7, 8. The Summary Notice, which informed readers of the proposed Settlement, how to obtain copies of the Notice Package, and the deadlines for the submission of Claim Forms, objections and requests for exclusion, was published in *The Wall Street Journal* and released over the *Business Wire*. *See* Sylvester Decl., ¶14. In

addition, the Claims Administrator established a case-specific website which provided information and links to relevant documents. *Id.*, ¶13.

As noted above, following this notice program, no Class Member objected to any aspect of the Settlement, the Plan of Allocation, or fee and expense application. In addition, only two requests for exclusion were received.

The absence of objections and the very small number of requests for exclusion support a finding that the Settlement is fair, reasonable, and adequate. Indeed, “the favorable reaction of the overwhelming majority of class members to the Settlement is perhaps the most significant factor in [the] *Grinnell* inquiry.” *Wal-Mart Stores, Inc. v. Visa U.S.A. Inc.*, 396 F.3d 96, 119 (2d Cir. 2005); *see also In re Advanced Battery Techs., Inc. Sec. Litig.*, 298 F.R.D. 171, 176 (S.D.N.Y. 2014) (“The absence of . . . objections and minimal investors electing to opt out of the Settlement provides evidence of Class members’ approval of the terms of the Settlement.”); *In re Sturm, Ruger, & Co., Inc. Sec. Litig.*, No. 3:09cv1293 (VLB), 2012 WL 3589610, at *5 (D. Conn. Aug. 20, 2012) (“[T]he absence of objectants may itself be taken as evidencing the fairness of a settlement.”) (citation omitted); *In re FLAG Telecom Holdings, Ltd. Sec. Litig.*, No. 02-CV-3400 (CM) (PED), 2010 WL 4537550, at *16 (S.D.N.Y. Nov. 8, 2010) (“The absence of objections to the Settlement supports the inference that it is fair, reasonable and adequate.”).

In addition, no institutional investors have objected to the Settlement. The absence of objections by these sophisticated Class Members (as well as from any retail Class Members) is further evidence of the fairness of the Settlement. *See In re Citigroup Inc. Sec. Litig.*, 965 F. Supp. 2d 369, 382 (S.D.N.Y. 2013) (the reaction of the class supported the settlement where “not a single objection was received from any of the institutional investors that hold the majority of Citigroup stock”); *In re AOL Time Warner, Inc. Sec. & “ERISA” Litig.*, No. MDL 1500, 2006 WL 903236, at

*10 (S.D.N.Y. Apr. 6, 2006) (the lack of objections from institutional investors supported approval of settlement).

The lack of objections from institutional or retail Class Members also supports approval of the Plan of Allocation. *See, e.g., In re Payment Card Interchange Fee & Merch. Disc. Antitrust Litig.*, 986 F. Supp. 2d 207, 240 (E.D.N.Y. 2013) (conclusion that the proposed plan of allocation was fair and reasonable was “buttressed by the relatively small number of opt-outs and absence of objections from class members”); *In re Veeco Instruments Inc. Sec. Litig.*, No. 05 MDL 01695 (CM), 2007 WL 4115809, at *14 (S.D.N.Y. Nov. 7, 2007) (“[N]ot one class member has objected to the Plan of Allocation which was fully explained in the Notice of Settlement sent to all Class Members. This favorable reaction of the Class supports approval of the Plan of Allocation.”).

Finally, the positive reaction of the Class should also be considered with respect to Lead Counsel’s motion for an award of attorneys’ fees and expenses. The absence of any objections to the requested fee and expenses supports a finding that the fee and expense request is fair and reasonable. *See, e.g., In re Veeco Instruments Inc. Sec. Litig.*, No. 05 MDL 01695 (CM), 2007 WL 4115808, at *10 (S.D.N.Y. Nov. 7, 2007) (the reaction of class members to a fee and expense request “‘is entitled to great weight by the Court’” and the absence of any objection “suggests that the fee request is fair and reasonable”) (citation omitted); *Maley v. Del Global Techs. Corp.*, 186 F. Supp. 2d 358, 374 (S.D.N.Y. 2002) (the lack of any objection to the fee request supported its approval). In particular, the lack objections by institutional investors supports approval of the fee and expense request. *See In re Rite Aid Corp. Sec. Litig.*, 396 F.3d 294, 305 (3d Cir. 2005) (the fact that “a significant number of investors in the class were ‘sophisticated’ institutional investors that had considerable financial incentive to object had they believed the requested fees were excessive” and did not do so, supported approval of the fee request); *In re Bisys Sec. Litig.*, No. 04 Civ. 3840 (JSR), 2007 WL 2049726, at

*1 (S.D.N.Y. July 16, 2007) (lack of objections from institutional investors supported the approval of fee request because “the class included numerous institutional investors who presumably had the means, the motive, and the sophistication to raise objections if they thought the [requested] fee was excessive”).

III. CONCLUSION

For the foregoing reasons and the reasons set forth in Lead Plaintiff’s and Lead Counsel’s opening papers, they respectfully request that the Court approve the Settlement, the Plan of Allocation, and the request for fees and expenses. Copies of the proposed (i) Judgment; (ii) Order Approving Plan of Allocation; and (iii) Order Awarding Attorneys’ Fees and Expenses and Award to Lead Plaintiff Pursuant to 15 U.S.C. §78u-4(a)(4) are submitted herewith.

DATED: October 13, 2017

Respectfully submitted,

s/ Ellen Gusikoff Stewart

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Lead Counsel for Plaintiff

CERTIFICATE OF SERVICE

I, Ellen Gusikoff Stewart, hereby certify that on October 13, 2017, I caused a true and correct copy of the attached:

Reply Memorandum of Law in Further Support of: (A) Lead Plaintiff's Motion for Final Approval of Settlement and Approval of Plan of Allocation; and (B) Lead Counsel's Motion for an Award of Attorneys' Fees and Expenses and Award to Lead Plaintiff Pursuant to 15 U.S.C. §78u-4(a)(4)

to be electronically filed with the Clerk of the Court using the CM/ECF system, which will send notification of such public filings to all counsel registered to receive such notice.

s/ Ellen Gusikoff Stewart

ELLEN GUSIKOFF STEWART

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

DONALD P. BOLAND and MARY A.	:	Civil Action No. 1:16-cv-03925-LLS
BOLAND, Individually and on Behalf of All	:	
Others Similarly Situated,	:	<u>CLASS ACTION</u>
	:	
Plaintiffs,	:	[PROPOSED] ORDER AND FINAL
	:	JUDGMENT
vs.	:	
	:	
GERDAU S.A., et al.,	:	
	:	
Defendants.	:	

On the 20th day of October, 2017, a hearing having been held before this Court to determine:

(1) whether the terms and conditions of the Stipulation of Settlement dated July 5, 2017 (the “Stipulation”) are fair, reasonable and adequate for the settlement of all claims asserted by the Class against the Defendants in the complaint now pending in this Court under the above caption (the “Litigation”), including the release of the Released Persons, and should be approved; (2) whether judgment should be entered dismissing the complaint on the merits and with prejudice in favor of the Defendants herein and as against all persons or entities who are Members of the Class herein who have not timely and validly requested exclusion therefrom; (3) whether to approve the Plan of Allocation as a fair and reasonable method to allocate the Settlement proceeds among the Members of the Class; and (4) whether and in what amount to award Lead Plaintiff’s Counsel fees and expenses and Lead Plaintiff’s expenses. The Court having considered all matters submitted to it at the hearing and otherwise; and it appearing that a notice of the hearing, substantially in the form approved by the Court, was mailed to all individuals and entities, reasonably identifiable, who purchased or otherwise acquired Gerdau S.A. (“Gerdau”) American Depositary Receipts (“ADRs”) during the period between April 23, 2012, and May 16, 2016, inclusive (the “Class Period”), as shown by the records compiled by the Claims Administrator in connection with its mailing of the Notice, at the respective addresses set forth in such records, and that a summary notice of the hearing, substantially in the form approved by the Court, was published pursuant to the Order Preliminarily Approving Settlement and Providing for Notice as set forth in the Declaration of Carole K. Sylvester Regarding Notice Dissemination, Publication, and Requests for Exclusion Received to Date; and the Court having considered and determined the fairness and reasonableness of the award of attorneys’ fees and expenses requested by Lead Plaintiff’s Counsel; and all capitalized terms used herein having the meanings set forth and defined in the Stipulation.

NOW, THEREFORE, IT IS HEREBY ORDERED THAT:

1. The Court has jurisdiction over the subject matter of this Litigation, the Lead Plaintiff, all Class Members and Defendants.

2. For purposes of the Settlement only, the Court finds that the prerequisites for a class action under Federal Rules of Civil Procedure 23(a) and (b)(3) have been satisfied in that: (a) the number of Class Members is so numerous that joinder of all members thereof is impracticable; (b) there are questions of law and fact common to the Class; (c) the claims of Lead Plaintiff are typical of the claims of the Class it seeks to represent; (d) Lead Plaintiff and Lead Counsel have and will fairly and adequately represent the interests of the Class; (e) the questions of law and fact common to the Members of the Class predominate over any questions affecting only individual Class Members; and (f) a class action is superior to other available methods for the fair and efficient adjudication of the controversy.

3. Pursuant to Rule 23 of the Federal Rules of Civil Procedure and for purposes of the Settlement only, this Court hereby finally certifies this action as a class action on behalf of all Persons who purchased or otherwise acquired Gerdau ADRs between April 23, 2012, and May 16, 2016, inclusive. Excluded from the Class are: Defendants, the officers and directors of Gerdau during the Class Period, members of their immediate families and their legal representatives, heirs, successors or assigns and any entity in which Defendants have or had a controlling interest. Also excluded from the Class are the individuals and/or entities (attached hereto as Exhibit 1) who have requested exclusion from the Class by submitting a timely and valid request for exclusion.

4. Notice of the pendency of this Litigation as a class action and of the proposed Settlement was given to all Class Members who could be identified with reasonable effort. The form and method of notifying the Class of the pendency of this Litigation as a class action and of the

terms and conditions of the proposed Settlement met the requirements of Rule 23 of the Federal Rules of Civil Procedure, Section 21 of the Securities Exchange Act of 1934, 15 U.S.C. §78u-4(a)(7), as amended by the Private Securities Litigation Reform Act of 1995 (the “PSLRA”), due process and any other applicable law, constituted the best notice practicable under the circumstances and constituted due and sufficient notice to all individuals and entities entitled thereto.

5. The Settlement is approved as fair, reasonable, adequate, and in the best interests of the Class. Subject to the terms and provisions of the Stipulation and the conditions therein being satisfied, the parties are directed to consummate the Settlement.

6. The Litigation is hereby dismissed in its entirety with prejudice.

7. The releases as set forth in ¶¶5.1-5.4 of the Stipulation (the “Releases”), together with the definitions contained in ¶¶1.1-1.29 relating thereto, are expressly incorporated herein in all respects. The Releases are effective as of the Effective Date.

8. Upon the Effective Date, Lead Plaintiff and each of the Class Members who have not timely opted out of the Class (“Class Releasers”) are hereby permanently barred and enjoined from the assertion, institution, maintenance, prosecution, or enforcement against Defendants or any Released Persons in any state or federal court or arbitral forum, or in the court of any foreign jurisdiction, of any and all Released Claims (including, without limitation, Unknown Claims), as well as any other claims arising out of, relating to or in connection with, the defense, settlement, or resolution of the Litigation or the Released Claims.

9. Upon the Effective Date, Lead Plaintiff shall, and each of the Class Members shall be deemed to have, and by operation of this Judgment shall have, fully, finally and forever released, relinquished and discharged all Released Claims against the Released Persons. Lead Plaintiff and each Class Member are bound by this Judgment including, without limitation, the release of claims

as set forth in the Stipulation. The Released Claims are hereby compromised, settled, released, discharged and dismissed as against the Released Persons on the merits and with prejudice by virtue of the proceedings herein and this Judgment.

10. Upon the Effective Date, each of the Released Persons shall be deemed to have, and by operation of this Judgment shall have, fully, finally and forever released, relinquished and discharged Lead Plaintiff, each and all of the Class Members, and Lead Plaintiff's Counsel from all claims (including, without limitation, Unknown Claims) arising out of, relating to or in connection with the institution, prosecution, assertion, settlement, or resolution of the Litigation or the Released Defendants' Claims.

11. Neither this Judgment, the Stipulation nor any of its terms and provisions, nor any of the negotiations, discussions, or proceedings connected with it, nor any act performed or document executed pursuant to or in furtherance of the Stipulation or the Settlement, nor any of the documents or statements referred to therein nor any payment or consideration provided for therein, shall be:

(a) offered or received against the Released Persons as evidence of or construed as or deemed to be evidence of any presumption, concession or admission by any of the Released Persons with respect to the truth of any fact alleged by the Lead Plaintiff or the validity of any claim that has been or could have been asserted in this Litigation, or the deficiency of any defense that has been or could have been asserted in this Litigation or of any liability, negligence, fault or wrongdoing of the Released Persons;

(b) offered or received against the Released Persons as evidence of a presumption, concession or admission of any fault, misrepresentation or omission with respect to any statement or written document approved or made by any of the Released Persons;

(c) offered or received against the Released Persons as evidence of a presumption, concession or admission with respect to any liability, negligence, fault or wrongdoing, or in any way referred to for any other reason as against any of the Released Persons, in any other civil, criminal or administrative action or proceeding, other than such proceedings as may be necessary to effectuate the provisions of the Stipulation; provided, however, that the Released Persons may refer to it to effectuate the liability protection granted them hereunder;

(d) construed against the Released Persons as an admission or concession that the consideration to be given hereunder represents the amount which could be or would have been recovered after trial; or

(e) construed as or received in evidence as an admission, concession or presumption against Lead Plaintiff or any of the Class Members that any of their claims are without merit, or that any defenses asserted by the Released Persons have any merit or that damages recoverable under the complaint would not have exceeded the Settlement Fund.

12. Notwithstanding the provisions of the preceding paragraph, the Released Persons may file the Stipulation and/or this Judgment in any action that may be brought against them in order to support a defense, claim or counterclaim based on principles of *res judicata*, collateral estoppel, release, good faith settlement, judgment bar or reduction or any other theory of claim preclusion or issue preclusion or similar defense or counterclaim.

13. The Court finds that Gerdau has satisfied its financial obligations under the Stipulation by paying or causing to be paid \$15,000,000 to the Settlement Fund.

14. The Court finds and concludes that the Lead Plaintiff, Lead Plaintiff's Counsel, Defendants and counsel to the Defendants have complied with each requirement of Rule 11(b) of the

Federal Rules of Civil Procedure as to any complaint, responsive pleading, dispositive motion or other filing.

15. Any Plan of Allocation submitted by Lead Counsel or any order entered regarding any attorneys' fee and expense application shall in no way disturb or affect this Judgment and shall be considered separate from this Judgment. Separate orders shall be entered regarding approval of a plan of allocation and Lead Counsel's application for an award of attorneys' fees and expenses.

16. Any appeal or any challenge affecting the approval of (a) the Plan of Allocation submitted by Lead Counsel and/or (b) this Court's approval regarding any attorneys' fee and expense applications shall in no way disturb or affect the finality of the other provisions of this Judgment nor the Effective Date of the Settlement.

17. Jurisdiction is hereby retained over settling Defendants, the Lead Plaintiff and the Class Members for all matters relating to the administration, interpretation, effectuation or enforcement of the Stipulation and this Judgment, including any application for fees and expenses incurred in connection with administering and distributing the Settlement proceeds to the Members of the Class.

18. In the event that the Settlement does not become Effective in accordance with the terms of the Stipulation, or is terminated pursuant to ¶8.3 of the Stipulation, ¶¶8.5-8.6 of the Stipulation shall apply and this Judgment shall be rendered null and void to the extent provided by and in accordance with the Stipulation and shall be vacated and may not be introduced as evidence or reflected in any action or proceeding by any person or entity, and each party shall be restored to his, her or its respective position as it existed prior to May 15, 2017.

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

20. Defendants have provided notification to all appropriate federal and state officials regarding the Settlement as required by 28 U.S.C. §1715.

21. There is no just reason for delay in the entry of this Judgment and immediate entry by the Clerk of the Court is expressly directed.

DATED: _____

HONORABLE LOUIS L. STANTON
UNITED STATES DISTRICT JUDGE

EXHIBIT 1

GBO-EXCL00001 *GBO-EXCL00001*



Exclusion Cover Page

Case Name: Boland v. Gerdau SA Securities Litigation

Case Code: GBO

Exclusion Deadline: September 29, 2017 (Postmark Date)

Name of Person Filing Exclusion: Vivian Mary and Vernal Dean Wood
V & V Trust

V & V Trust

Vivian Mary and Vernal Dean Wood



Sept. 16, 2017 ^{vw}

To whom It May Concern:

Boland V. Gerdau S.A. Securities Litigation

Claims Administrator

c/o Gilardi & Co.LLC

P O Box 404014

Louisville, KY 40233-4041

To Whom It May Concern:

We(V&V Trust) received your litigation claim . We want to EXCLUDE ourselves on this settlement. We have sold all our stocks last year and I can't find these particular stocks anyway.

Also, I'm not sure whether to send this notice to California or Kentucky so I'm sending this notice to both places.

Thank you,

V&V Trust

Vernal Dean Wood
Vivian Mary Wood



Must Be Postmarked (if Mailed)
or Received (if Submitted Online)
No Later Than November 28, 2017

Official
Office
Use
Only

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

GBO

Boland v. Gerdau S.A., et al.

Case No. 1:16-cv-03925-LLS

PROOF OF CLAIM AND RELEASE

Please Type or Print in the Boxes Below
Do NOT use Red Ink, Pencil, or Staples



PART I: CLAIMANT IDENTIFICATION

Last Name										M.I.		First Name																																					
WOOD										D		Verna																																					
Last Name (Co-Beneficial Owner)										M.I.		First Name (Co-Beneficial Owner)																																					
WOOD										M		Vivian																																					
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Company Name (Beneficial Owner - If Claimant is not an Individual) or Custodian Name if an IRA																																																	
Trustee/Asset Manager/Nominee/Record Owner's Name (If Different from Beneficial Owner Listed Above)																																																	
Account#/Fund# (Not Necessary for Individual Filers)																																																	

Last Four Digits of Social Security Number

Taxpayer Identification Number

or

Telephone Number (Primary Daytime)

Telephone Number (Alternate)

Email Address

MAILING INFORMATION

Address																													
[Redacted]																													
City																													
[Redacted]										State										Zip Code									
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IV. SUBMISSION TO JURISDICTION OF COURT AND ACKNOWLEDGMENTS

On behalf of myself (ourselves) and each of my (our) heirs, agents, executors, trustees, administrators, predecessors, successors and assigns, I (we) submit this Proof of Claim under the terms of the Stipulation of Settlement described in the Notice. I (We) also submit to the jurisdiction of the United States District Court for the Southern District of New York with respect to my (our) claim as a Class Member and for purposes of enforcing the release set forth herein. I (We) further acknowledge that I am (we are) bound by and subject to the terms of any judgment that may be entered in the Litigation. I (We) agree to furnish additional information to the Claims Administrator to support this claim (including transactions in other Gerdau securities) if requested to do so. I (We) have not submitted any other claim covering the same purchases, acquisitions or sales of Gerdau ADRs during the Class Period and know of no other person having done so on my (our) behalf.

V. RELEASE

1. Upon the Effective Date of the Settlement, I (we) acknowledge full and complete satisfaction of, and fully, finally and forever settle, release and discharge from the Released Claims each and all of the "Released Persons," defined as each and all of the Defendants and their Related Parties. "Related Parties" means each Defendants' 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, any member of their immediate families, marital communities, or any trusts for which any of them are trustees, settlors or beneficiaries or anyone acting or purporting to act for or on behalf of them or their successors or collectively, the members of the Gerdau Johannpeter family, their lineal descendants or any trusts that are exclusively for the benefit of any of the foregoing, provided that any of the foregoing has the right to control such trust.

2. "Released Claims" means any and all claims, rights, duties, controversies, obligations, demands, actions, debts, sums of money, suits, contracts, agreements, promises, damages, losses, judgments, liabilities, allegations, arguments and causes of action of every nature and description, whether known or unknown, whether arising under federal, state, local, common, statutory, administrative or foreign law, or any other law, rule, ordinance, administrative provision or regulation, at law or in equity, whether class or individual in nature, whether fixed or contingent, whether accrued or unaccrued, whether liquidated or unliquidated, whether matured or unmatured, which arise out of or relate in any way to both: (i) the purchase or acquisition of Gerdau ADRs during the Class Period, and (ii) the allegations, transactions, facts, matters, events, disclosures, registration statements, public filings, acts, occurrences, representations, statements, omissions or failures to act that were or could have been alleged by Lead Plaintiff or any Class Member in the Litigation. "Released Claims" does not include claims to enforce the Settlement. "Released Claims" includes "Unknown Claims" as defined below.

3. "Unknown Claims" means any and all Released Claims which Lead Plaintiff, Lead Plaintiff's Counsel or any Class Members do not know or suspect to exist in his, her, or its favor at the time of the release of the Released Persons and any and all Released Defendants' Claims that the Released Persons do not know or suspect to exist in her, her or its favor at the time of the release of the Lead Plaintiff, Lead Plaintiff's Counsel, or any Class Members, which, if known by him, her or it, might have affected his, her or its settlement with and release of the Released Persons, Lead Plaintiff, Lead Plaintiff's Counsel or Class Members, or might have affected his, her or its decision(s) with respect to the Settlement, including, but not limited to, whether or not to object to this Settlement or to the release of the Released Persons, Lead Plaintiff, Lead Plaintiff's Counsel or Class Members. With respect to any and all Released Claims and Released Defendants' Claims, the Settling Parties stipulate and agree that, upon the Effective Date, the Settling Parties shall expressly waive and each of the Settling Parties shall be deemed to have, and by operation of the Judgment shall have, expressly waived to the fullest extent permitted by law, the provisions, rights, and benefits of California Civil Code §1542, which provides:

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

The Settling Parties 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, principle of common law or any provision of foreign law, which is similar, comparable or equivalent to California Civil Code §1542. The Settling Parties acknowledge that they may hereafter discover facts in addition to or different from those which he, she, it or their counsel now knows or believes to be true with respect to the subject matter of the Released Claims or Released Defendants' Claims, but the Settling Parties shall expressly settle and release, and each Class Member, upon the Effective Date, shall be deemed to have, and by operation of the Judgment shall have, fully, finally and forever settled and released any and all Released Claims and Released Defendants' Claims, known or unknown, suspected or unsuspected, contingent or non-contingent, whether or not concealed or hidden, which now exist, or heretofore have existed, upon any theory of law or equity now existing or coming into existence in the future, including, but not limited to, conduct which is negligent, intentional, with or without malice, or a breach of any duty, law or rule, without regard to the subsequent discovery or existence of such different or additional facts. The Settling Parties acknowledge, and the Class Members 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 of which this release is a part.



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

5. I (We) hereby warrant and represent that I (we) have included the information requested about all of my (our) transactions in Gerdau ADRs which are the subject of this claim, which occurred during the Class Period, as well as the opening and closing positions in such securities held by me (us) on the dates requested in this Proof of Claim.

I declare under penalty of perjury under the laws of the United States of America that all of the foregoing information supplied on this Proof of Claim by the undersigned is true and correct.

Executed this _____ day of _____ in _____
(Month/Year) (City/State/Country)

(Sign your name here)

(Sign your name here)

(Type or print your name here)

(Type or print your name here)

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

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

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

Reminder Checklist:

- 1. Please sign the above release and declaration.
- 2. If this claim is being made on behalf of Joint Claimants, then both must sign.
- 3. Remember to attach copies of supporting documentation, if available.
- 4. Do not send originals of certificates.
- 5. Keep a copy of your Proof of Claim and all supporting documentation for your records.
- 6. If you desire an acknowledgment of receipt of your Proof of Claim please send it Certified Mail, Return Receipt Requested.
- 7. If you move, please send your new address to the address below.
- 8. Do not use red pen or highlighter on the Proof of Claim or supporting documentation.

**THIS PROOF OF CLAIM MUST BE POSTMARKED (IF MAILED) OR RECEIVED (IF SUBMITTED ONLINE)
NO LATER THAN NOVEMBER 28, 2017, ADDRESSED AS FOLLOWS:**

Boland v. Gerdau S.A. Securities Litigation
Claims Administrator
c/o Gilardi & Co. LLC
P.O. Box 404014
Louisville, KY 40233-4014
www.bolandvgerdausa.com



All joint purchasers or acquirers must sign this Proof of Claim. Executors, administrators, guardians, conservators and trustees or others acting in a representative capacity on behalf of a Class Member must complete and sign this Proof of Claim on behalf of persons represented by them, and submit evidence of their current authority to act on behalf of that Class Member, including that your titles or capacities must be stated. The Social Security (or taxpayer identification) number and telephone number of the beneficial owner may be used in verifying the claim. Failure to provide the foregoing information could delay verification of your claim or result in rejection of the claim.

III. CLAIM FORM

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

On the schedules, provide all of the requested information with respect to *all* of your purchases or acquisitions and *all* of your sales of Gerdau ADRs which took place during the period April 23, 2012, through and including August 12, 2016, whether such transactions resulted in a profit or a loss. You must also provide all of the requested information with respect to *all* of the Gerdau ADRs you held at the close of trading on April 22, 2012, May 16, 2016, and August 12, 2016. Failure to report all such transactions may result in the rejection of your claim.

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

The date of covering a "short sale" is deemed to be the date of purchase of Gerdau ADRs. The date of a "short sale" is deemed to be the date of sale of Gerdau ADRs.

For each transaction, copies of broker confirmations or other documentation of your transactions in Gerdau ADRs should be attached to your Proof of Claim. Failure to provide this documentation could delay verification of your claim or result in rejection of your claim.

A purchase or sale of Gerdau ADRs shall be deemed to have occurred on the "contract" or "trade" date as opposed to the "settlement" or "payment" date; please provide any "contract" or "trade" dates in your claim.

NOTICE REGARDING ELECTRONIC FILES: Certain claimants with large numbers of transactions may request, or may be requested, to submit information regarding their transactions in electronic files. This is different from the online submission process that is available at www.bolandvgerdausa.com. If you have a large number of transactions and wish to file your claim electronically, you must contact the Claims Administrator at edata@gilardi.com to obtain the required file layout.

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

DONALD P. BOLAND and MARY A. BOLAND,
Individually and on Behalf of All Others Similarly
Situated.

Plaintiffs,

vs.

GERDAU S.A., et al.,

Defendants.

Civil Action No. 1:16-cv-03925-LLS

CLASS ACTION

9/13/17
to get class action
to get class action

NOTICE OF PROPOSED SETTLEMENT OF CLASS ACTION

TO: ALL PERSONS WHO PURCHASED OR OTHERWISE ACQUIRED AMERICAN DEPOSITARY RECEIPTS ("ADRs") OF GERDAU S.A. ("GERDAU" OR THE "COMPANY") DURING THE PERIOD FROM APRIL 23, 2012, THROUGH AND INCLUDING MAY 16, 2016

PLEASE READ THIS NOTICE CAREFULLY AND IN ITS ENTIRETY. YOUR RIGHTS MAY BE AFFECTED BY PROCEEDINGS IN THIS ACTION. PLEASE NOTE THAT IF YOU ARE A CLASS MEMBER, YOU MAY BE ENTITLED TO SHARE IN THE PROCEEDS OF THE SETTLEMENT DESCRIBED IN THIS NOTICE. TO CLAIM YOUR SHARE OF THE SETTLEMENT PROCEEDS, YOU MUST SUBMIT A VALID PROOF OF CLAIM AND RELEASE FORM ("PROOF OF CLAIM") POSTMARKED (IF MAILED) OR RECEIVED (IF SUBMITTED ONLINE) ON OR BEFORE **NOVEMBER 28, 2017**.

This Notice of Proposed Settlement of Class Action ("Notice") has been sent to you pursuant to Rule 23 of the Federal Rules of Civil Procedure and an Order of the United States District Court for the Southern District of New York (the "Court"). The purpose of this Notice is to inform you of: (i) the pendency of this class action (the "Litigation") between Lead Plaintiff Policemen's Annuity and Benefit Fund of Chicago and Defendants Gerdau, Jorge Gerdau Johannpeter, André Bier Gerdau Johannpeter, Claudio Johannpeter, Osvaldo Burgos Schirmer, Expedito Luz, André Pires de Oliveira Dias, Harley Lorentz Scardoelli and Renato Gasparetto Jr. ("Defendants"); (ii) the proposed \$15 million settlement reached therein (the "Settlement"); and (iii) the hearing to be held by the Court to consider the fairness, reasonableness, and adequacy of the Settlement, the proposed Plan of Allocation, Lead Counsel's application for fees, costs, and expenses (which may include Lead Plaintiff's reimbursement for its time and expenses representing the Class). This Notice describes what steps you may take in relation to the Settlement and this class action.

This Notice is not intended to be, and should not be construed as, an expression of any opinion by the Court with respect to the truth of the allegations in the Litigation as to any of the Defendants or the merits of the claims or defenses asserted by or against the Defendants. This Notice is solely to advise you of the proposed Settlement of the Litigation and of your rights in connection therewith.

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 November 28, 2017.
EXCLUDE YOURSELF	Get no payment. This is the only option that <i>potentially</i> allows you to ever be part of any other lawsuit against the Defendants or any other Released Persons about the legal claims being resolved by this Settlement. Exclusions must be postmarked on or before September 29, 2017.

¹ All capitalized terms used in this Notice that are not otherwise defined herein shall have the meanings provided in the Stipulation of Settlement dated July 5, 2017 (the "Stipulation"), which is available on the website www.bolandvgerdausa.com.

OBJECT	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 September 29, 2017.
GO TO THE HEARING ON OCTOBER 20, 2017, AT 12:00 P.M. ET	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 September 29, 2017.
DO NOTHING	Receive no payment. You will, however, still be a Member of the Class, which means that you give up your right to ever be part of any other lawsuit against the Defendants or any other Released Persons 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.

SUMMARY OF THIS NOTICE

Statement of Class Recovery

Pursuant to the Settlement described herein, a \$15 million settlement fund has been established. Based on Lead Plaintiff's estimate of the number of Gerdau ADRs damaged during the Class Period, the average distribution per ADR under the Plan of Allocation is roughly \$0.04, before deduction of any taxes on the income earned on the Settlement Amount, notice and administration costs, and allowable attorneys' fees and expenses 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 9-12 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 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 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 Gerdau ADRs was allegedly artificially inflated (if at all) during the Class Period; (4) the amount, if any, by which the price of Gerdau ADRs was allegedly artificially inflated (if at all) during the Class Period; (5) the effect of various market forces on the price of Gerdau ADRs at various times during the Class Period; (6) the extent to which external factors influenced the price of Gerdau ADRs at various times during the Class Period; (7) the extent to which the various matters that Lead Plaintiff alleged were materially false or misleading influenced (if at all) the price of Gerdau ADRs at various times during the Class Period; and (8) the extent to which the various allegedly adverse material facts that Lead Plaintiff alleged were omitted influenced (if at all) the price of Gerdau ADRs 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 not to exceed twenty-five (25%) of the Settlement Amount, plus expenses not to exceed \$200,000, plus interest earned on both amounts at the same rate as earned by the Settlement Fund. Since the Litigation's inception, Lead Plaintiff's 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. In addition, as part of that application, Lead Plaintiff may seek reimbursement of its time and expenses in representing the Class in an amount not to exceed \$5,000. The requested attorneys' fees and expenses amount to an average cost of approximately \$0.01 per allegedly damaged Gerdau ADR. The average cost per damaged ADR will vary depending on the number of acceptable Proofs of Claim submitted.

Further Information

For further information regarding the Litigation, this Notice or to review the Stipulation, please contact the Claims Administrator toll-free at 1-866-700-0419, or visit the website www.bolandvgerdausa.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 Plaintiff's principal reason for entering into the Settlement is the benefit to the Class now, without further risk or the 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 be achieved after contested motions, trial and likely appeals, a process that could last several years into the future. For Defendants, who have denied and continue to deny all allegations of liability, fault or wrongdoing whatsoever in connection with this matter, 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. Defendants have concluded that further conduct of this Litigation could be protracted and distracting.

BASIC INFORMATION

1. Why did I get this notice package?

This Notice was sent to you pursuant to an Order of a U.S. Federal Court because you or someone in your family or an investment account for which you serve as custodian may have purchased or otherwise acquired Gerdau ADRs during the period from April 23, 2012, through and including May 16, 2016 ("Class Period").

This Notice explains the class action lawsuit, the Settlement, Class Members' legal rights in connection with the Settlement, what benefits are available, who is eligible for them and how to get them.

The Court in charge of the Litigation is the United States District Court for the Southern District of New York (the "Court"), and the case is known as *Boland v. Gerdau S.A., et al.*, Civil Action No. 1:16-cv-03925-LLS. The case has been assigned to the Honorable Louis L. Stanton. The pension fund representing the Class is the "Lead Plaintiff," and the company and individuals it sued, who have now settled, are called the Defendants.

2. What is this lawsuit about?

The initial complaint in this action was filed on May 26, 2016. On August 9, 2016, the Court appointed Lead Plaintiff and Lead Counsel. On October 31, 2016, Lead Plaintiff filed its Consolidated Complaint for Violations of the Federal Securities Laws ("Complaint").

Lead Plaintiff alleges that Defendants violated Sections 10(b) and 20(a) of the Securities Exchange Act of 1934 by, *inter alia*, issuing false and misleading statements and/or failing to disclose that: (i) the Company was engaged in a bribery scheme in collusion with Brazil's Board of Tax Appeals; (ii) Gerdau had defrauded Brazilian tax authorities of approximately 4 billion Brazilian reais in taxes; and (iii) directors and employees of the Company had engaged in bribery, money laundering and influence peddling. Lead Plaintiff alleges that as a result of these material misrepresentations and omissions, Gerdau ADRs traded at artificially inflated prices. Defendants deny Lead Plaintiff's allegations.

On January 17, 2017, Defendants (other than three individuals who had not been served) filed Motions to Dismiss the Complaint. At the Settling Parties' request, on February 16, 2017, the Court stayed the Litigation in order for the parties to attempt a mediation.

In an effort to settle the Litigation, the parties engaged the services of the Hon. Layn R. Phillips (Ret.), a nationally recognized mediator. The parties prepared detailed mediation statements and engaged in a full-day in-person mediation session with Judge Phillips on April 25, 2017. These efforts culminated with the parties agreeing to settle the Litigation on May 15, 2017, for \$15,000,000, subject to the negotiation of the terms of a Stipulation of Settlement and approval by the Court.

3. Why is there a settlement?

The Court has not decided in favor of Defendants or in favor of Lead Plaintiff. Instead, both sides agreed to the Settlement to avoid the distraction, costs and risks of further litigation, and Lead Plaintiff agreed to the Settlement in order to ensure that Class Members will receive compensation.

WHO IS IN THE SETTLEMENT

To see if you will get money from this Settlement, you first have to decide if you are a Class Member.

4. How do I know if I am a Member of the Class?

The Court directed that everyone who fits this description is a Class Member: *all Persons who purchased or otherwise acquired Gerdau ADRs during the period from April 23, 2012, through and including May 16, 2016*, except those Persons and entities that are excluded.

Excluded from the Class are: Defendants, the officers and directors of Gerdau during the Class Period, members of their immediate families and their legal representatives, heirs, successors or assigns, and any entity in which Defendants have or had a controlling interest. Also excluded from the Class is any Class Member who timely and validly excludes themselves therefrom by submitting a request for exclusion in accordance with the requirements set forth in question 11 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 November 28, 2017.

5. What if I am still not sure if I am included?

If you are still not sure whether you are included, you can ask for free help. You can contact the Claims Administrator toll-free at 1-866-700-0419 or you can fill out and return the Proof of Claim enclosed with this Notice package to see if you qualify.

THE SETTLEMENT BENEFITS – WHAT YOU GET

6. What does the Settlement provide?

The Settlement provides that, in exchange for the release of the Released Claims (defined below) and dismissal of the Litigation, Gerdau has agreed to pay (or cause to be paid) \$15 million in cash to be distributed after taxes, fees, and expenses, *pro rata*, to Class Members who send in or submit a valid Proof of Claim pursuant to the Court-approved Plan of Allocation. The Plan of Allocation is described in more detail at the end of this Notice.

7. How much will my payment be?

Your share of the Net Settlement Fund will depend on several things, including the total amount of claims represented by the valid Proofs of Claim that Class Members send in or submit, compared to the amount of your claim, all as calculated under the Plan of Allocation discussed below.

HOW YOU GET A PAYMENT – SUBMITTING A CLAIM FORM

8. How can I get a payment?

To be eligible to receive a payment from the Settlement, you must submit a Proof of Claim. A Proof of Claim is enclosed with this Notice or it may be downloaded at www.bolandvgerdausa.com. Read the instructions carefully, fill out the Proof of Claim, include all the documents the form asks for, sign it and mail or submit it online so that it is postmarked (if mailed) or received (if submitted online) no later than November 28, 2017. The Proof of Claim may be submitted online at www.bolandvgerdausa.com.

9. When would I get my payment?

The Court will hold a Settlement Hearing on October 20, 2017, at 12:00 p.m. ET, to decide whether to approve the Settlement. If the Court approves the Settlement, there might be appeals. It is always uncertain whether appeals can be resolved, and if so, how long it would take to resolve them. It also takes time for all the Proofs of Claim to be processed. Please be patient.

10. What am I giving up to get a payment or to stay in the Class?

Unless you timely and validly exclude yourself, you will remain a Class Member, and that means you cannot sue, continue to sue, or be part of any other lawsuit against Defendants or their Related Parties about the Released Claims (as defined below) in this case. It also means that all of the Court's orders will apply to you and legally bind you. If you remain a Class Member, and if the Settlement is approved, you will give up all "Released Claims" (as defined below), including "Unknown Claims" (as defined below), against the "Released Persons" (as defined below):

- "Released Claims" means any and all claims, rights, duties, controversies, obligations, demands, actions, debts, sums of money, suits, contracts, agreements, promises, damages, losses, judgments, liabilities, allegations, arguments and causes of action of every nature and description, whether known or unknown, whether arising under federal, state, local, common, statutory, administrative, or foreign law, or any other law, rule, ordinance, administrative provision or regulation, at law or in equity, whether class or individual in nature, whether fixed or contingent, whether accrued or unaccrued, whether liquidated or unliquidated, whether matured or unmatured, which arise out of or relate in any way to both: (i) the purchase or acquisition of Gerdau ADRs during the Class Period; and (ii) the allegations, transactions, facts, matters, events, disclosures, registration statements, public filings, acts, occurrences, representations, statements, omissions or failures to act that were or could have been alleged by Lead Plaintiff or any Class Member in the Litigation. "Released Claims" does not include claims to enforce the Settlement. "Released Claims" includes "Unknown Claims" as defined below.
- "Released Defendants' Claims" means any and all claims, rights, duties, controversies, obligations, demands, actions, debts, sums of money, suits, contracts, agreements, promises, damages, losses, judgments, liabilities, allegations, arguments, and causes of action of every nature and description (including Unknown Claims), whether arising under federal, state, local, common, statutory, administrative, or foreign law, or any other law, rule or regulation, at law or in equity, that arise out of or relate in any way to the institution, prosecution or settlement of the claims against Defendants in the Litigation, except for claims relating to the enforcement of the Settlement.
- "Released Persons" means each and all of the Defendants and their Related Parties.
- "Related Parties" means each Defendants' 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, the members of the Gerdau Johannpeter family, their lineal descendants or any trusts that are exclusively for the benefit of any of the foregoing, provided that any of the foregoing has the right to control such trust.
- "Unknown Claims" means any and all Released Claims which Lead Plaintiff, Lead Plaintiff's Counsel or any Class Members do not know or suspect to exist in his, her or its favor at the time of the release of the Released Persons and any and all Released Defendants' Claims that the Released Persons do not know or suspect to exist in her, her or its favor at the time of the release of the Lead Plaintiff, Lead Plaintiff's Counsel, or any Class Members, which, if known by him, her or it, might have affected his, her or its settlement with and release of the Released Persons, Lead Plaintiff, Lead Plaintiff's Counsel or Class Members, or might have affected his, her or its decision(s) with respect to the Settlement, including, but not limited to, whether or not to object to this Settlement or to the release of the Released Persons, Lead Plaintiff, Lead Plaintiff's Counsel or Class Members. With respect to any and all Released Claims and Released Defendants' Claims, the Settling Parties stipulate and agree that, upon the Effective Date, the Settling Parties shall expressly waive and each of the Settling Parties shall be deemed to have, and by operation of the Judgment shall have, expressly waived to the fullest extent permitted by law, the provisions, rights, and benefits of California Civil Code §1542, which provides:

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

The Settling Parties 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, principle of common law or any provision of foreign law, which is similar, comparable or equivalent to California Civil Code §1542. The Settling Parties acknowledge that they may hereafter discover facts in addition to or different from those which he, she, it or their counsel now knows or believes to be true with respect to the subject matter of the Released Claims or Released Defendants' Claims, but the Settling Parties shall expressly settle and release, and each Class Member, upon the Effective Date, shall be deemed to have, and by operation of the Judgment shall have, fully, finally and forever settled and released any and all Released Claims and Released Defendants' Claims, known or unknown, suspected or unsuspected, contingent or non-contingent, whether or not concealed or hidden, which now exist, or heretofore have existed, upon any theory of law or equity now existing or coming into existence in the future, including, but not limited to, conduct which is negligent, intentional, with or without malice, or a breach of any duty, law or rule, without regard to the subsequent discovery or existence of such different or additional facts. The Settling Parties acknowledge, and the Class Members 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 of which this release is a part.

EXCLUDING YOURSELF FROM THE CLASS

If you do not want to participate in this Settlement, and you want to keep the right to potentially sue the Defendants and the other Released Persons, on your own, about the claims being released by the Settlement, then you must take steps to remove yourself from the Class. This is called excluding yourself – or is sometimes referred to as “opting out.”

11. How do I opt out of the Class and the proposed Settlement?

To exclude yourself from the Class and the Settlement, you must send a letter by First-Class Mail stating that you “request exclusion from the Class in the *Boland v. Gerdau S.A. Securities Litigation*.” You *cannot* exclude yourself by telephone or e-mail. Your letter must include your purchases, acquisitions, and sales of Gerdau ADRs during the Class Period, including the date(s), the number(s) of Gerdau ADRs purchased, acquired or sold and price(s) paid or received for each such purchase, acquisition or sale. In addition, you must include your name, address, telephone number, and your signature. You must submit your exclusion request so that it is **postmarked no later than September 29, 2017** to:

Boland v. Gerdau S.A. Securities Litigation
Claims Administrator
EXCLUSIONS
c/o Gilardi & Co. LLC
3301 Kerner Blvd.
San Rafael, CA 94901

Your exclusion request must comply with these requirements in order to be valid. If you ask to be excluded, you will not receive any payment from the Settlement, and you cannot object to the Settlement. You will not be legally bound by anything that happens in this lawsuit, and you may be able to sue the Defendants and the other Released Persons about the Released Claims in the future.

12. If I do not exclude myself, can I sue the Defendants and the other Released Persons for the same thing later?

No. Unless you exclude yourself, you give up any rights you may potentially have to sue the Defendants and the other Released Persons for any and all Released Claims. If you have a pending lawsuit against the Released Persons speak to your lawyer in that case immediately. You must exclude yourself from the Class in this Litigation to continue your own lawsuit. Remember, the exclusion deadline is September 29, 2017.

13. If I exclude myself, can I get money from the proposed Settlement?

No. If you exclude yourself, you should not send in a Proof of Claim to ask for any money. But, if you do exclude yourself, you may have the right to potentially sue or be part of a different lawsuit against the Defendants and the other Released Persons.

THE LAWYERS REPRESENTING YOU

14. Do I have a lawyer in this case?

The Court ordered that the law firm of Robbins Geller Rudman & Dowd LLP represents the Class Members, including you. These lawyers are called Lead Counsel. If you want to be represented by your own lawyer, you may hire one at your own expense.

15. How will the lawyers be paid?

Lead Counsel will apply to the Court for an award of attorneys' fees not to exceed twenty-five (25%) of the Settlement Amount and for expenses and costs in an amount not to exceed \$200,000 in connection with the Litigation, plus interest on such fees and expenses at the same rate as earned by the Settlement Fund. Such sums as may be approved by the Court will be paid from the Settlement Fund.

OBJECTING TO THE SETTLEMENT

You can tell the Court that you do not agree with the Settlement or any part of it.

16. How do I tell the Court that I object to the proposed Settlement?

If you are a Class Member, you can comment or object to the proposed Settlement, the proposed Plan of Allocation, Lead Counsel's fee and expense application and/or Lead Plaintiff's time and expense request. You can write to the Court setting out your comment or objection. The Court will consider your views. To comment or object, you must send a signed letter saying that you wish to comment on or object to the proposed Settlement in the *Boland v. Gerdau S.A. Securities Litigation*. Include your name, mailing address, daytime telephone number, e-mail address and your signature, state the number of Gerdau ADRs owned as of the beginning of trading on April 23, 2012 (the first day of the Class Period), identify the date(s), price(s) and number(s) of Gerdau ADRs you purchased, acquired and sold during the Class Period, and state your comments or the reasons why you object to the proposed Settlement, Plan of Allocation and/or fee and expense application. You must also include copies of documents demonstrating such purchase(s), acquisition(s) and/or sale(s). Your comments or objection must be filed with the Court and mailed or delivered to each of the following addresses such that it is *received no later than September 29, 2017*:

COURT	LEAD COUNSEL	DEFENDANTS' COUNSEL
Clerk of the Court UNITED STATES DISTRICT COURT SOUTHERN DISTRICT OF NEW YORK DANIEL PATRICK MOYNIHAN U.S. COURTHOUSE 500 Pearl Street New York, NY 10007	ROBBINS GELLER RUDMAN & DOWD LLP ELLEN GUSIKOFF STEWART 655 West Broadway Suite 1900 San Diego, CA 92101	SKADDEN, ARPS, SLATE, MEAGHER & FLOM LLP JAY B. KASNER ANDREW R. BEATTY 4 Times Square New York, NY 10036 KRAMER LEVIN NAFTALIS & FRANKEL LLP MICHAEL J. DELL KAREN S. KENNEDY JULIANA OLIVEIRA MAGGIO 1177 Avenue of the Americas New York, NY 10036

17. What is the difference between objecting and excluding?

Objecting is simply telling the Court that you do not like something about the Settlement. You can object **only** if you stay in the Class.

Excluding yourself is telling the Court that you do not want to be paid and do not want to release any claims you think you may have against Defendants and their Related Parties. If you exclude yourself, you cannot object to the Settlement because it does not affect you.

THE COURT'S SETTLEMENT HEARING

The Court will hold a hearing to decide whether to approve the proposed Settlement. You may attend and you may ask to speak, but you do not have to.

18. When and where will the Court decide whether to approve the proposed Settlement?

The Court will hold a Settlement Hearing at **12:00 p.m. ET, on October 20, 2017**, in the Courtroom of the Honorable Louis L. Stanton at the United States District Court for the Southern District of New York, Daniel Patrick Moynihan U.S. Courthouse, 500 Pearl Street, New York, NY 10007. At the hearing, the Court will consider whether the Settlement and the Plan of Allocation are fair, reasonable and adequate. If there are objections, the Court will consider them, even if you do not ask to speak at the hearing. The Court will listen to people who have asked to speak at the hearing. The Court may also issue a ruling on Lead Counsel's application for attorneys' fees and expenses (which request may include an application for reimbursement for Lead Plaintiff's time and expenses in representing the Class in an amount not to exceed \$5,000). After the Settlement Hearing, the Court will decide whether to approve the Settlement and the Plan of Allocation. We do not know how long these decisions will take. You should be aware that the Court may change the date and time of the Settlement Hearing without another notice being sent to Class Members. If you want to attend the hearing, you should check with Lead Counsel or the Settlement website www.bolandvgerdausa.com beforehand to be sure that the date and/or time has not changed.

19. Do I have to come to the hearing?

No. Lead Counsel will answer questions the Court may have. But, you are welcome to come at your own expense. If you send an objection, you do not have to come to Court to talk about it. As long as you mailed your written objection on time, the Court will consider it. You may also pay your own lawyer to attend, but that is not necessary. Class Members do not need to appear at the hearing or take any other action to indicate their approval.

20. May I speak at the hearing?

If you object to the Settlement, the Plan of Allocation or the fee and expense application, you may ask the Court for permission to speak at the Settlement Hearing. To do so, you must include with your objection (see question 16 above) a statement saying that it is your "Notice of Intention to Appear in the *Boland v. Gerdau S.A. Securities Litigation*." Persons who intend to object to the Settlement, the Plan of Allocation and/or any attorneys' fees and expenses to be awarded to Lead Counsel (including any reimbursement to Lead Plaintiff for its time and expenses representing the Class) and desire to present evidence at the Settlement Hearing must include in their written objections the identity of any witnesses they may call to testify and exhibits they intend to introduce into evidence at the Settlement Hearing. Your notice of intention to appear must be **received no later than September 29, 2017**, and addressed to the Clerk of Court, Lead Counsel and Defendants' counsel at the addresses listed above in question 16.

You cannot speak at the hearing if you exclude yourself from the Class.

IF YOU DO NOTHING

21. What happens if I do nothing?

If you do nothing, you will not receive any money from this Settlement. In addition, unless you exclude yourself, you will not be able to start a lawsuit, continue with a lawsuit or be part of any other lawsuit against Defendants and their Related Parties about the Released Claims in this case, ever again.

301 Kern...

called 1 866 700 0419

GETTING MORE INFORMATION

22. How do I get more information?

For even more detailed information concerning the matters involved in this Litigation, you can obtain answers to common questions regarding the proposed Settlement by contacting the Claims Administrator toll-free at 1-866-700-0419. Reference is also made to the Stipulation, to the pleadings in support of the Settlement, to the Orders entered by the Court, and to the other Settlement-related papers filed in the Litigation, which are posted on the Settlement website at www.bolandvgerdausa.com, and may be inspected at the Office of the Clerk of the United States District Court for the Southern District of New York, 500 Pearl Street, New York, NY 10007, during regular business hours. For a fee, all papers filed in this Litigation are available at www.pacer.gov.

**PLAN OF ALLOCATION OF NET SETTLEMENT FUND AMONG
CLASS MEMBERS**

The Settlement Amount of \$15 million and any interest earned thereon is the "Settlement Fund." The Settlement Fund, less all taxes, approved costs, fees and expenses (the "Net Settlement Fund") shall be distributed to Class Members who submit timely and valid Proofs of Claim to the Claims Administrator ("Authorized Claimants"). The Plan of Allocation provides that you will be eligible to participate in the distribution of the Net Settlement Fund only if you have an overall net loss on all of your transactions in Gerda ADRs during the Class Period.

For purposes of formulating the Plan of Allocation and determining the amount an Authorized Claimant may recover under it, Lead Counsel has conferred with its damages consultant.

In the unlikely event there are sufficient funds in the Net Settlement Fund, each Authorized Claimant will receive an amount equal to the Authorized Claimant's claim, as defined below. If, however, and as is more likely, the amount in the Net Settlement Fund is not sufficient to permit payment of the total claim of each Authorized Claimant, then each Authorized Claimant shall be paid the percentage of the Net Settlement Fund that each Authorized Claimant's claim bears to the total of the claims of all Authorized Claimants. Payment in this manner shall be deemed conclusive against all Authorized Claimants. Allowed claims will also be subjected to the statutory 90-day look-back amount provided for in the Private Securities Litigation Reform Act of 1995 ("PSLRA").²

The calculation of claims below is not an estimate of the amount you will receive. It is a formula for allocating the Net Settlement Fund among all Authorized Claimants. The allocation below is based on the following inflation per share amounts for Class Period ADRs purchases and sales as well as the statutory PLSRA 90-day look-back amount of \$1.93. Furthermore, if any of the formulas set forth below yield an amount less than or equal to \$0.00, the claim per ADR shall be \$0.00.

A "claim" will be calculated as follows:

GERDAU S.A.

CUSIP: 373737105

April 23, 2012 - May 16, 2016

March 27, 2015 Market Adjusted Price Decline: \$0.36

May 16, 2016 Market Adjusted Price Decline: \$0.21

1. For Gerda ADRs *purchased, or acquired, on or between April 23, 2012 through March 26, 2015*, the claim per ADR shall be as follows:

- a) If sold prior to March 27, 2015, the claim is zero.
- b) If sold on March 27, 2015 through May 15, 2016, the claim shall be the lesser of: (i) \$0.36, or (ii) the difference between the purchase price and the selling price.

² Pursuant to Section 21D(e)(1) of the PSLRA, "in any private action arising under this chapter in which the plaintiff seeks to establish damages by reference to the market price of a security, the award of damages to the plaintiff shall not exceed the difference between the purchase or sale price paid or received, as appropriate, by the plaintiff for the subject security and the mean trading price of that security during the 90-day period beginning on the date on which the information correcting the misstatement or omission that is the basis for the action is disseminated to the market."

c) If retained at the end of May 15, 2016 and sold before August 12, 2016, the claim shall be the least of: (i) \$0.57 (March 27, 2015 and May 16, 2016 Price Declines), or (ii) the difference between the purchase price and the selling price, or (iii) the difference between the purchase price and the average closing price up to the date of sale as set forth in the table below.

d) If retained, or sold, on or after August 12, 2016, the claim shall be the lesser of: (i) \$0.57, or (ii) the difference between the purchase price and \$1.93.

2. For Gerdau ADRs *purchased, or acquired, on or between March 27, 2015 through May 15, 2016*, the claim per ADR shall be as follows:

a) If sold prior to May 16, 2016, the claim is zero.

b) If retained at the end of May 15, 2016 and sold before August 12, 2016, the claim shall be the least of: (i) \$0.21, or (ii) the difference between the purchase price and the selling price, or (iii) the difference between the purchase price and the average closing price up to the date of sale as set forth in the table below.

c) If retained, or sold, on or after August 12, 2016, the claim shall be the lesser of: (i) \$0.21, or (ii) the difference between the purchase price and \$1.93.

3. For Gerdau ADRs *purchased, or acquired, on May 16, 2016*, the claim per ADR shall be as follows:

a) If sold on May 16, 2016, the claim shall be the least of: (i) \$0.21, or (ii) the difference between the purchase price and the selling price, or (iii) the difference between the purchase price and \$1.71 (Closing Price on May 16, 2016).

b) If retained at the end of May 16, 2016 and sold before August 12, 2016, the claim shall be the least of: (i) \$0.21, or (ii) the difference between the purchase price and the selling price, or (iii) the difference between the purchase price and the average closing price up to the date of sale as set forth in the table below.

c) If retained, or sold, on or after August 12, 2016, the claim shall be the lesser of: (i) \$0.21, or (ii) the difference between the purchase price and \$1.93.

Date	Price	Average Closing Price
5/16/2016	\$1.71	\$1.71
5/17/2016	\$1.70	\$1.71
5/18/2016	\$1.62	\$1.68
5/19/2016	\$1.56	\$1.65
5/20/2016	\$1.61	\$1.64
5/23/2016	\$1.61	\$1.64
5/24/2016	\$1.57	\$1.63
5/25/2016	\$1.60	\$1.63
5/26/2016	\$1.66	\$1.63
5/27/2016	\$1.57	\$1.62
5/31/2016	\$1.53	\$1.62
6/1/2016	\$1.55	\$1.61
6/2/2016	\$1.57	\$1.61
6/3/2016	\$1.68	\$1.61
6/6/2016	\$1.78	\$1.62
6/7/2016	\$1.78	\$1.63
6/8/2016	\$1.91	\$1.65

Date	Price	Average Closing Price
6/9/2016	\$1.78	\$1.66
6/10/2016	\$1.67	\$1.66
6/13/2016	\$1.65	\$1.66
6/14/2016	\$1.60	\$1.66
6/15/2016	\$1.67	\$1.66
6/16/2016	\$1.70	\$1.66
6/17/2016	\$1.71	\$1.66
6/20/2016	\$1.70	\$1.66
6/21/2016	\$1.67	\$1.66
6/22/2016	\$1.69	\$1.66
6/23/2016	\$1.85	\$1.67
6/24/2016	\$1.69	\$1.67
6/27/2016	\$1.65	\$1.67
6/28/2016	\$1.70	\$1.67
6/29/2016	\$1.74	\$1.67
6/30/2016	\$1.81	\$1.68
7/1/2016	\$1.89	\$1.68

Date	Price	Average Closing Price
7/5/2016	\$1.78	\$1.69
7/6/2016	\$1.79	\$1.69
7/7/2016	\$1.75	\$1.69
7/8/2016	\$1.83	\$1.70
7/11/2016	\$1.87	\$1.70
7/12/2016	\$2.00	\$1.71
7/13/2016	\$2.07	\$1.72
7/14/2016	\$2.03	\$1.72
7/15/2016	\$2.06	\$1.73
7/18/2016	\$2.13	\$1.74
7/19/2016	\$2.08	\$1.75
7/20/2016	\$2.03	\$1.75
7/21/2016	\$2.05	\$1.76
7/22/2016	\$2.17	\$1.77
7/25/2016	\$2.15	\$1.78

Date	Price	Average Closing Price
7/26/2016	\$2.28	\$1.79
7/27/2016	\$2.34	\$1.80
7/28/2016	\$2.30	\$1.81
7/29/2016	\$2.35	\$1.82
8/1/2016	\$2.35	\$1.83
8/2/2016	\$2.24	\$1.83
8/3/2016	\$2.37	\$1.84
8/4/2016	\$2.52	\$1.86
8/5/2016	\$2.66	\$1.87
8/8/2016	\$2.53	\$1.88
8/9/2016	\$2.57	\$1.89
8/10/2016	\$2.69	\$1.91
8/11/2016	\$2.83	\$1.92
8/12/2016	\$2.78	\$1.93

The date of purchase or sale is the "contract" or "trade" date as distinguished from the "settlement" 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 Gerdau ADRs during the Class Period shall not be deemed a purchase or sale of Gerdau ADRs for the calculation of a claimant's recognized claim, nor shall it be deemed an assignment of any claim relating to the purchase of such ADRs unless specifically provided in the instrument of gift or assignment. The receipt of Gerdau ADRs during the Class Period in exchange for securities of any other corporation or entity shall not be deemed a purchase or sale of Gerdau ADRs.

For Class Members who held Gerdau ADRs at the beginning of the Class Period or made multiple purchases, acquisitions or sales during the Class Period, the First-In, First-Out ("FIFO") method will be applied to such holdings, purchases, acquisitions, and sales for purposes of calculating a claim. Under the FIFO method, sales of Gerdau ADRs during the Class Period will be matched, in chronological order, first against ADRs held at the beginning of the Class Period. The remaining sales of ADRs during the Class Period will then be matched, in chronological order, against ADRs purchased or acquired during the Class Period.

A Class Member will be eligible to receive a distribution from the Net Settlement Fund only if a Class Member had a net overall loss, after all profits from transactions in all Gerdau ADRs described above during the Class Period are subtracted from all losses. However, the proceeds from sales of ADRs that have been matched against the ADRs held at the beginning of the Class Period will not be used in the calculation of such net loss. No distributions will be made to Authorized Claimants who would otherwise receive a distribution of less than \$10.00.

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 Plaintiff, Lead Plaintiff's Counsel, the Claims Administrator or other Person designated by Lead Counsel, Defendants, or Defendants' counsel based on 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.

Please contact the Claims Administrator or Lead Counsel if you disagree with any determinations made by the Claims Administrator regarding your Proof of Claim. If you are unsatisfied with the determinations, you may ask the Court, which retains jurisdiction over all Class Members and the claims administration process, to decide the issue by submitting a written request.

Defendants, their respective counsel and all other Released Persons will have no responsibility or liability whatsoever for the investment of the Settlement Fund, the distribution of the Net Settlement Fund, the Plan of Allocation or the payment of any claim. Lead Plaintiff and Lead Plaintiff's Counsel, likewise, will have no liability for their reasonable efforts to execute, administer and distribute the Settlement.

Distributions will be made to Authorized Claimants after all claims have been processed and after the Court has finally approved the Settlement. The Net Settlement Fund shall be distributed to Authorized Claimants substantially in accordance with the Plan of Allocation set forth above and approved by the Court. If there is any balance remaining in the Net Settlement Fund after six (6) months of the initial date of distribution of the Net Settlement Fund (whether by reason of tax refunds, uncashed checks or otherwise), Lead Counsel shall, if economically feasible, make a second distribution to claimants who cashed their checks from the initial distribution and who would receive at least \$10.00, after payment of the estimated costs, expenses, or fees to be incurred in administering the Net Settlement Fund and in making this second distribution. These redistributions shall be repeated, if economically feasible, until the balance remaining in the Net Settlement Fund is *de minimis* and such remaining balance shall then be distributed to an appropriate non-sectarian, non-profit charitable organization serving the public interest selected by Lead Counsel and approved by the Court.

SPECIAL NOTICE TO SECURITIES BROKERS AND OTHER NOMINEES

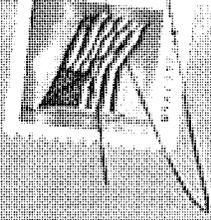
If you purchased or acquired Gerdau ADRs during the Class Period for the beneficial interest of an individual or organization other than yourself, the Court has directed that, WITHIN SEVEN (7) BUSINESS DAYS OF YOUR RECEIPT OF THIS NOTICE, you either (a) provide to the Claims Administrator the name and last known address of each person or organization for whom or which you purchased or acquired such securities during such time period; or (b) request additional copies of this Notice and the Proof of Claim, which will be provided to you free of charge, and within ten (10) days mail the Notice and Proof of Claim directly to the beneficial owners of the securities referred to herein. If you choose to follow alternative procedure (b), upon such mailing, you must send a statement to the Claims Administrator confirming that the mailing was made as directed and retain the names and addresses for any future mailings to Class Members. You are entitled to reimbursement from the Settlement Fund of your reasonable expenses actually incurred in connection with the foregoing, including reimbursement of postage expense and the cost of ascertaining the names and addresses of beneficial owners. Your reasonable expenses will be paid upon request and submission of appropriate supporting documentation. All communications concerning the foregoing should be addressed to the Claims Administrator:

Boland v. Gerdau S.A. Securities Litigation
Claims Administrator
c/o Gilardi & Co. LLC
P.O. Box 404014
Louisville, KY 40233-4014
www.bolandvgerdausa.com

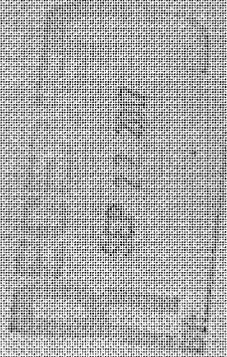
DATED: July 10, 2017

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

Bolant v Cardam S.A. Securities Litigation
Claims Department (Administrators)
3301 Kerner Blvd. c/o Silandri + Co
San Rafael, California LLC
94901

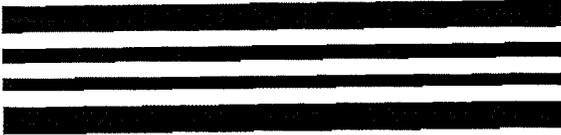


Boland v Berdan S.H. Securities
Claims Dep. (Administrator)
c/o Bilardi + Co. LLC
San Rafael, California
94901



W
Mrs. Vivian M. Wood

GBO-EXCL00002 *GBO-EXCL00002'



Exclusion Cover Page

Case Name: Boland v. Gerdau SA Securities Litigation

Case Code: GBO

Exclusion Deadline: September 29, 2017 (Postmark Date)

Name of Person Filing Exclusion: **Christine Cobb**

9/23/2017

• • •

Christine Cobb

[REDACTED]

Boland v. Gerdau S. A. Securities Litigation
Claims Administrator
EXCLUSIONS
c/o Gilardi & Co. LLC
3301 Kerner Blvd.
San Rafael, CA 94901

Claims Administrator (Exclusions) -

I, Christine Cobb of [REDACTED] phone [REDACTED] request
exclusion from the Class in the *Boland v. Gerdau S.A. Securities Litigation*.

I purchased 10 Shares of GGB at \$6.09 each on 5/29/2014 - Commission was \$7.00 resulting in a
total amount of \$67.90 paid for the shares. I have not sold any of the shares.

Sincerely,



Christine Cobb

C Cobb



NORTH HOUSTON TX 773

25 SEP 2017 PM 3 L



Boland v. Gerdau S.A. Securities Litigation
Claims Administrator
EXCLUSIONS
c/o Gilardi+Co LLC
3301 KERNER BLVD.
San Rafael, CA 94901

GBO

94901-489625



UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

DONALD P. BOLAND and MARY A.	:	Civil Action No. 1:16-cv-03925-LLS
BOLAND, Individually and on Behalf of All	:	
Others Similarly Situated,	:	<u>CLASS ACTION</u>
	:	
Plaintiffs,	:	[PROPOSED] ORDER APPROVING PLAN
	:	OF ALLOCATION
vs.	:	
	:	
GERDAU S.A., et al.,	:	
	:	
Defendants.	:	

This matter having come before the Court on October 20, 2017, on Lead Plaintiff's motion for approval of the Plan of Allocation of the Settlement proceeds in the above-captioned action; the Court having considered all papers filed and proceedings had herein and otherwise being fully informed in the premises;

IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that:

1. This Order incorporates by reference the definitions in the Stipulation of Settlement dated July 5, 2017 (the "Stipulation"), and all capitalized terms used, but not defined herein, shall have the same meanings as set forth in the Stipulation.

2. Pursuant to and in full compliance with Rule 23 of the Federal Rules of Civil Procedure, this Court hereby finds and concludes that due and adequate notice was directed to all persons who are Class Members who could be identified with reasonable effort, advising them of the Plan of Allocation and of their right to object thereto, and a full and fair opportunity was accorded to all persons and entities who are Class Members to be heard with respect to the Plan of Allocation.

3. The Court finds and concludes that the formula for the calculation of the claims of Authorized Claimants which is set forth in the Notice of Proposed Settlement of Class Action (the "Notice") sent to Class Members provides a fair and reasonable basis upon which to allocate the proceeds of the Net Settlement Fund established by the Stipulation among the Class Members, with due consideration having been given to administrative convenience and necessity.

4. This Court finds and concludes that the Plan of Allocation, as set forth in the Notice, is, in all respects, fair and reasonable and the Court approves the Plan of Allocation.

DATED: _____

HONORABLE LOUIS L. STANTON
UNITED STATES DISTRICT JUDGE

This matter having come before the Court on October 20, 2017, on the motion of Lead Counsel for an award of attorneys' fees and expenses (the "Fee Motion"), the Court, having considered all papers filed and proceedings conducted herein, having found the Settlement of this Litigation to be fair, reasonable and adequate, and otherwise being fully informed in the premises and good cause appearing therefore;

IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that:

1. This Order incorporates by reference the definitions in the Stipulation of Settlement dated July 5, 2017 (the "Stipulation"), and all capitalized terms used, but not defined herein, shall have the same meanings as set forth in the Stipulation.

2. This Court has jurisdiction over the subject matter of this application and all matters relating thereto, including all Members of the Class who have not timely and validly requested exclusion.

3. Notice of Lead Counsel's Fee Motion was given to all Class Members who could be located with reasonable effort. The form and method of notifying the Class of the Fee Motion met the requirements of Rule 23 of the Federal Rules of Civil Procedure and 15 U.S.C. §78u-4(a)(7), the Securities Exchange Act of 1934, as amended by the Private Securities Litigation Reform Act of 1995, due process, and any other applicable law, constituted the best notice practicable under the circumstances, and constituted due and sufficient notice to all persons and entities entitled thereto.

4. The Court hereby awards Lead Counsel attorneys' fees of 25% of the Settlement Fund (or \$3,750,000), plus expenses in the amount of \$162,734.05, together with the interest earned on both amounts for the same time period and at the same rate as that earned on the Settlement Fund until paid. The Court finds that the amount of fees awarded is appropriate and that the amount of fees awarded is fair and reasonable under the "percentage-of-recovery" method.

5. The awarded attorneys' fees and expenses and interest earned thereon, shall be paid to Lead Counsel subject to the terms, conditions, and obligations of the Stipulation, and in particular, ¶7.2 thereof, which terms, conditions, and obligations are incorporated herein.

6. In making this award of fees and expenses to Lead Counsel, the Court has considered and found that:

(a) the Settlement has created a fund of \$15,000,000 in cash that is already on deposit, and numerous Class Members who submit, or have submitted, valid Proof of Claim and Release forms will benefit from the Settlement created by Lead Counsel;

(b) over 36,900 copies of the Notice were disseminated to potential Class Members indicating that Lead Counsel would move for attorneys' fees in an amount not to exceed 25% of the Settlement Fund and for expenses in an amount not to exceed \$200,000, and no objections to the fees or expenses were filed by Class Members;

(c) Lead Counsel has pursued the Litigation and achieved the Settlement with skill, perseverance and diligent advocacy;

(d) Lead Counsel has expended substantial time and effort pursuing the Litigation on behalf of the Class;

(e) Lead Counsel pursued the Litigation on a contingent basis, having received no compensation during the Litigation, and any fee amount has been contingent on the result achieved;

(f) the Litigation involves complex factual and legal issues and, in the absence of settlement, would involve lengthy proceedings whose resolution would be uncertain;

(g) had Lead Counsel not achieved the Settlement, there would remain a significant risk that the Class may have recovered less or nothing from Defendants;

(h) Lead Counsel has devoted over 2,200 hours, with a lodestar value of \$1,571,252.75, to achieve the Settlement;

(i) public policy concerns favor the award of reasonable attorneys' fees and expenses in securities class action litigation; and

(j) the attorneys' fees and expenses awarded are fair and reasonable and consistent with awards in similar cases within the Second Circuit.

7. Any appeal or any challenge affecting this Court's approval regarding the Fee Motion shall in no way disturb or affect the finality of the Judgment entered with respect to the Settlement.

8. Pursuant to 15 U.S.C. §78u-4(a)(4), the Court awards \$3,765.00 to Lead Plaintiff Policemen's Annuity and Benefit Fund of Chicago for the time it spent directly related to its representation of the Class.

9. In the event that the Settlement is terminated or does not become Final or the Effective Date does not occur in accordance with the terms of the Stipulation, this Order shall be rendered null and void to the extent provided in the Stipulation and shall be vacated in accordance with the Stipulation.

DATED: _____

HONORABLE LOUIS L. STANTON
UNITED STATES DISTRICT JUDGE