

1 THE O'MARA LAW FIRM, P.C.
2 DAVID C. O'MARA
3 Nevada State Bar No. 8599
4 WILLIAM M. O'MARA
5 Nevada State Bar No. 837
6 311 East Liberty Street
7 Reno, NV 89501
8 Telephone: (775) 323-1321
9 Facsimile: (775) 323-4082

RECEIVED

JAN 11 2012

DOWNEY BRAND LLP

6 Co-Lead Counsel for Plaintiffs

7 [Additional Counsel on signature page]

8

9 IN THE FIRST JUDICIAL DISTRICT COURT OF THE STATE OF NEVADA

10

IN AND FOR CARSON CITY

11

IN RE CHINA GREEN AGRICULTURE,) Lead Case No. 10 OC 00563 1B
12 INC. DERIVATIVE SHAREHOLDER)
LITIGATION) (Consolidated with Case Nos. 11 OC 00208
13) 1B and 11 OC 00202 1B)

14

This Document Relates To:)
15) Dept. No. I

16

ALL ACTIONS)
17) **STIPULATION OF SETTLEMENT**

18

19

20

21

22

23

24

25

26

27

28

29

30

31

32

33

34

35

36

37

38

39

40

41

42

43

44

45

1 This Stipulation of Settlement ("Stipulation"),¹ dated January 10, 2012, is entered into, by
2 and through their respective undersigned counsel, among and between: (i) State Plaintiffs Karen
3 Hall ("Hall"), Hongyi Yu ("Yu"), and Brian Wilson ("Wilson") and Federal Plaintiffs Jamie Rier
4 ("Rier") and David McSherry, Sr. ("McSherry"), each individually and derivatively on behalf of
5 China Green Agriculture, Inc. ("China Green" or the "Company"); (ii) Individual Defendants
6 Tao Li ("Li"), Ken Ren ("Ren"), Yu Hao ("Hao"), Lianfu Liu ("Liu"), Yizhao Zhang ("Zhang"),
7 Robert B. Fields ("Fields"), Barry L. Raeburn ("Raeburn"), and Ying Yang ("Yang")
8 (collectively, the "Individual Defendants"); (iii) Federal Defendant Kabani & Company, Inc.
9 ("Kabani"); and (iv) nominal defendant China Green (all defendants collectively referred to
10 herein as "Defendants"). This Stipulation is intended by the Parties to fully, finally, and forever
11 compromise, resolve, discharge, and settle the Released Claims and dismiss the Actions with
12 prejudice, upon the terms and subject to the conditions set forth herein.

13 **I. BACKGROUND OF THE ACTIONS AND SETTLEMENT NEGOTIATIONS**

14 China Green is a Nevada corporation headquartered in the People's Republic of China
15 that engages in the research, development, manufacturing, and distribution of humic acid based
16 compound fertilizers and the development and production of agricultural products, such as top-
17 grade fruits, vegetables, flowers, and colored seedlings. On December 10, 2010, plaintiff Hall
18 filed the first shareholder derivative action on behalf of China Green in the First Judicial District
19 Court of the State of Nevada in and for Carson City under the caption *Hall v. Li*, Case No. 10 0C
20 00563 IB. The complaint alleged, among other things, that the Individual Defendants breached
21 their fiduciary duties of due care, loyalty, and good faith to the Company in connection with the
22 Company's disclosures regarding aspects of the Company's financial operations and results.

23 On December 28, 2010, plaintiff Yu filed a related shareholder derivative action against
24 the Individual Defendants in the Eighth Judicial District Court for the State of Nevada in and for
25 Clark County under the caption *Yu v. Li*, Case No. A-10-632228-C.

26
27
28 ¹ All capitalized terms are defined in Section IV.1 below, unless otherwise noted.

1 On January 5, 2011, Federal Plaintiffs filed a related action against the Individual
2 Defendants and Kabani in the U.S. District Court for the District of Columbia under the caption
3 *Rier v. Li*, Case No. 1:11-CV-00039.

4 On January 7, 2011, plaintiff Wilson filed a related action against the Individual
5 Defendants in the Eighth Judicial District Court for the State of Nevada in and for Clark County
6 under the caption *Wilson v. Li*, Case No. A-11-632848-C.

7 On February 24, 2011, the parties to the *Hall* action filed a stipulation to stay the case
8 pending mediation. On February 25, 2011, the Court entered an order temporarily staying the
9 *Hall* action pending mediation.

10 On March 10, 2011, by stipulation of the parties, the Federal Action was voluntarily
11 transferred to the U.S. District Court for the District of Nevada. The parties further agreed to
12 stay this action pending the outcome of their mediation efforts.

13 On April 12, 2011, counsel for the Company and the Individual Defendants provided a
14 pre-mediation presentation concerning the allegations in Plaintiffs' complaints. Given the related
15 nature of the *Hall*, *Yu*, and *Wilson* actions and the Federal Action, all Plaintiffs were invited to
16 participate in the pre-mediation presentation and the mediation. In addition, and subject to a
17 confidentiality agreement executed by Plaintiffs' counsel, the Company produced certain non-
18 public documents related to Plaintiffs' allegations to assist in the Parties' settlement efforts.

19 On April 15, 2011, Plaintiffs sent a settlement demand. Counsel for the Company and
20 the Individual Defendants responded on May 9, 2011.

21 On April 25, 2011, the Company filed motions to transfer the *Yu* and *Wilson* Actions
22 from the Eighth Judicial District Court for the State of Nevada in and for Clark County to the
23 First Judicial District Court of the State of Nevada in and for Carson City.

24 On May 12, 2011, the Parties engaged in a private, in-person mediation with JAMS
25 mediator Jed Melnick, Esq., at the office of Sidley Austin LLP in Washington, D.C. At the
26 mediation session, the Parties made substantial progress in reaching an agreement to settle the
27 Actions, however no formal agreement was reached, and the Parties agreed to continue
28 negotiations.

1 Pursuant to the agreement to continue the settlement negotiations reached at the May 12,
2 2011 mediation, the Parties and their respective counsel engaged in numerous additional
3 negotiations concerning the corporate governance reforms that China Green would adopt as part
4 of the Settlement. In connection with these negotiations, Plaintiffs' Counsel undertook a
5 comprehensive analysis of the corporate governance practices at China Green and proposed
6 numerous reforms to the Company's corporate governance practices. Over the ensuing months,
7 the Parties and their respective counsel spent significant work preparing, reviewing, negotiating,
8 and ultimately agreeing upon the corporate governance reforms set forth in Exhibit A attached
9 hereto.

10 On May 31, 2011, the *Yu* and *Wilson* actions were transferred to the First Judicial District
11 Court of the State of Nevada in and for Carson City.

12 On June 7, 2011, and July 6, 2011, the parties to the State Action filed stipulations to
13 extend the pending stay in light of their ongoing settlement negotiations. The Court granted both
14 stipulations to extend the stay.

15 On July 19, 2011, counsel for the parties to the *Hall*, *Yu*, and *Wilson* actions executed and
16 filed a stipulation to consolidate the actions and appoint lead counsel. On July 21, 2011, the
17 Court entered an order consolidating the actions under the caption *In re China Green*
18 *Agriculture, Inc. Derivative Shareholder Litigation*, Lead Case No. 10 OC 00563 1B, appointing
19 Robbins Umeda LLP and the Weiser Law Firm, P.C. as Plaintiffs' Co-Lead Counsel, and
20 appointing the O'Mara Law Firm, P.C. as Plaintiffs' Liaison Counsel.

21 On August 19, 2011, the parties to the State Action filed a stipulation to extend the
22 pending stay in light of their ongoing settlement negotiations. On September 16, 2011, the Court
23 entered an order extending the stay.

24 In late September 2011, after months of arm's-length negotiations, the parties reached an
25 agreement in principle to settle these derivative cases.

1 **II. PLAINTIFFS' COUNSEL'S INVESTIGATION AND RESEARCH, PLAINTIFFS'**
2 **CLAIMS, AND THE BENEFITS OF SETTLEMENT**

3 Plaintiffs' Counsel conducted an extensive investigation relating to the claims and the
4 underlying events alleged in the Action including, but not limited to: (1) inspecting, analyzing,
5 and reviewing China Green's public filings with the U.S. Securities and Exchange Commission
6 ("SEC"), press releases, announcements, transcripts of investor conference calls, and news
7 articles; (2) drafting and filing the various complaints in the Actions; (3) preparing a mediation
8 brief and participating in a mediation; (4) researching the applicable law with respect to the
9 claims asserted in the Actions and the potential defenses thereto; (5) researching corporate
10 governance issues; (6) attending an in person meeting with Defendants' Counsel to discuss the
11 merits of the Actions; and (7) participating in extensive settlement discussions with counsel for
12 the Defendants. As a result of this investigation, Plaintiffs believe the Actions have substantial
13 merit.

14 Nonetheless, Plaintiffs and Plaintiffs' Counsel recognize and acknowledge the significant
15 risk, expense, and length of continued proceedings necessary to prosecute the Actions against the
16 Individual Defendants and Kabani through trial and through possible appeals. Plaintiffs' Counsel
17 also have taken into account the uncertain outcome and the risk of any litigation, especially in
18 complex cases such as the Actions, as well as the difficulties and delays inherent in such
19 litigation. Plaintiffs' Counsel also are mindful of the inherent problems of proof and possible
20 defenses to the claims alleged in such actions. Plaintiffs' Counsel have conducted a thorough
21 review and analysis of the relevant facts, allegations, defenses, and controlling legal principles,
22 and believe that the Settlement set forth in this Stipulation is fair, reasonable, and adequate, and
23 confers substantial benefits upon China Green and its shareholders. Based upon Plaintiffs'
24 Counsel's evaluation, Plaintiffs have determined that the Settlement is in the best interests of
25 China Green and have agreed to settle the Actions upon the terms and subject to the conditions
26 set forth herein.

1 **III. THE INDIVIDUAL DEFENDANTS' AND KABANI'S DENIALS OF**
2 **WRONGDOING AND LIABILITY**

3 The Individual Defendants have denied and continue to deny they have committed,
4 threatened, or attempted to commit, any violations of law or breached any duty owed to
5 Plaintiffs, China Green, or its shareholders. Without admitting the validity of any allegations
6 made in the Actions, or any liability with respect thereto, the Individual Defendants have
7 concluded that it is desirable that the claims against them be settled on the terms reflected in this
8 Stipulation. The Individual Defendants and China Green are entering into this Settlement
9 because it will eliminate the uncertainty, distraction, disruption, burden, risk, and expense of
10 further litigation. Further, the Individual Defendants and China Green acknowledge that the
11 Settlement is fair, reasonable, adequate, and in the best interests of China Green and its
12 shareholders. The Individual Defendants and China Green also acknowledge and agree that the
13 corporate governance measures to be implemented directly as a result of the Settlement are
14 significant and extensive and confer substantial benefits upon China Green and its shareholders
15 by further improving the corporate governance, internal controls, and disclosure procedures at
16 the Company. Kabani also denied and continues to deny any wrongdoing, negligence, error, or
17 omission on its part related to the auditing or accounting services provided to China Green.

18 Neither this Stipulation, nor any of its terms or provisions, nor entry of the Judgment, nor
19 any document or exhibit referred or attached to this Stipulation, nor any action taken to carry out
20 this Stipulation, is, may be construed as, or may be used as evidence of the validity of any of the
21 Released Claims or an admission by or against the Company, the Individual Defendants, or
22 Kabani of any fault, wrongdoing, or concession of liability whatsoever.

23 **IV. TERMS OF STIPULATION AND AGREEMENT OF SETTLEMENT**

24 NOW, THEREFORE, IT IS HEREBY STIPULATED AND AGREED by and among
25 Plaintiffs (on behalf of themselves and derivatively on behalf of China Green), the Individual
26 Defendants, Kabani, and China Green, each by and through their respective counsel, that, subject
27 to Court approval, the Released Claims shall be finally and fully compromised, settled, and
28

1 released, and the Actions shall be dismissed with prejudice, as to all Parties, upon the terms and
2 subject to the conditions set forth herein as follows:

3 **1. Definitions**

4 As used in this Stipulation, the following terms have the meanings specified below:

5 1.1 "Actions" means the Federal Action and the State Action.

6 1.2 "Board" means the China Green board of directors.

7 1.3 "China Green" or the "Company" means China Green Agriculture, Inc.

8 1.4 "Company's Counsel" means Sidley Austin LLP, 555 California Street, San
9 Francisco, California 94104 and Downey Brand LLP, 427 West Plumb Lane, Reno, Nevada
10 89509.

11 1.5 "Court" means the First Judicial District Court of the State of Nevada in and for
12 Carson City.

13 1.6 "Current China Green Shareholders" means any Persons who owned China Green
14 common stock as of the date of the Execution Date and who continue to hold their China Green
15 common stock as of the date of the Settlement Hearing, excluding the Individual Defendants, the
16 current officers and directors of China Green, members of their immediate families, and their
17 legal representatives, heirs, successors, or assigns, and any entity in which Individual Defendants
18 have or had a controlling interest, and Kabani.

19 1.7 "Defendants' Counsel" means Sidley Austin LLP, 555 California Street, San
20 Francisco, California 94104, Downey Brand LLP, 427 West Plumb Lane, Reno, NV 89509,
21 LeClairRyan, 2318 Mill Road, Suite 1100, Alexandria, Virginia 22314, and Thordal, Armstrong,
22 Delk, Balkenbush & Eisinger, 6590 S. McCarran Blvd., Suite B, Reno, Nevada 89509,
23 collectively.

24 1.8 "Defendants' Released Claims" means any and all claims, debts, rights, or causes
25 of action or liabilities, including Unknown Claims, that could be asserted in any forum by the
26 Released Persons or their successors and assigns against Plaintiffs, Plaintiffs' Counsel, or China
27 Green, which arise out of or relate in any way to the institution, prosecution, or Settlement of the
28 Actions (except for any claims to enforce the Settlement).

1 1.9 "Effective Date" means the first date by which all of the events and conditions
2 specified in paragraph 6.1 herein have been met and have occurred.

3 1.10 "Execution Date" means the date this Stipulation has been signed by all the
4 signatories through their respective counsel.

5 1.11 "Federal Action" means the shareholder derivative action pending in the U.S.
6 District Court for the District of Nevada captioned *Rier v. Li*, Case No. 3:11-cv-00178-LRH.

7 1.12 "Federal Court" means the U.S. District Court for the District of Nevada.

8 1.13 "Federal Plaintiffs" means Jamie Rier and David McSherry, Sr., individually and
9 derivatively on behalf of China Green.

10 1.14 "Fee Amount" means the agreed upon sum to be paid for Plaintiffs' attorneys' fees
11 and expenses, subject to Court approval, in recognition of the substantial benefits conferred upon
12 China Green by the filing, prosecution, and Settlement of the Actions.

13 1.15 "Final" means the expiration of all time to seek appeal or other review of the
14 Judgment, or if any appeal or other review of such Judgment is filed and not dismissed, after
15 such Judgment is upheld on appeal in all material respects and is no longer subject to appeal,
16 reargument, or review by writ of certiorari or otherwise.

17 1.16 "Kabani" means Kabani & Company, Inc.

18 1.17 "Kabani's Counsel" means LeClairRyan, 2318 Mill Road, Suite 1100, Alexandria,
19 Virginia 22314 and Thordal, Armstrong, Delk, Balkenbush & Eisinger, 6590 S. McCarran Blvd.,
20 Suite B, Reno, Nevada 89509.

21 1.18 "Individual Defendants" means Tao Li, Ying Yang, Ken Ren, Yu Hao, Lianfu
22 Liu, Robert B. Fields, Yizhao Zhang, and Barry L. Raeburn.

23 1.19 "Individual Defendants' Counsel" means Sidley Austin LLP, 555 California
24 Street, San Francisco, California 94104 and Downey Brand LLP, 427 West Plumb Lane, Reno,
25 Nevada 89509.

26 1.20 "Judgment" means the [Proposed] Final Order and Judgment to be rendered by
27 the Court, substantially in the form of Exhibit E attached hereto.

28

1 1.21 "Parties" or "Settling Parties" means the Plaintiffs, the Individual Defendants,
2 Kabani, and China Green.

3 1.22 "Person" means an individual, corporation, limited liability corporation,
4 professional corporation, partnership, limited partnership, limited liability partnership,
5 association, joint stock company, estate, legal representative, trust, unincorporated association,
6 government or any political subdivision or agency thereof, and any business or legal entity and
7 their spouses, heirs, predecessors, successors, representatives, or assignees.

8 1.23 "Plaintiffs" means the Federal Plaintiffs and the State Plaintiffs, individually and
9 derivatively on behalf of China Green.

10 1.24 "Plaintiffs' Co-Lead Counsel" means Robbins Umeda LLP, 600 B Street, Suite
11 1900, San Diego, California 92101 and the Weiser Law Firm, P.C., 121 N. Wayne Avenue, Suite
12 100, Wayne, Pennsylvania 19087.

13 1.25 "Plaintiffs' Counsel" means any counsel who have appeared on behalf of any
14 plaintiff in the Actions.

15 1.26 "Preliminary Approval Order" means the proposed order preliminarily approving
16 the Settlement and setting a date for the Settlement Hearing to be rendered by the Court,
17 substantially in the form attached hereto as Exhibit B.

18 1.27 "Related Persons" means each of Defendants' past or present subsidiaries, parents,
19 successors and predecessors, insurers, officers, directors, agents, employees, attorneys, advisors,
20 investment advisors, auditors, accountants, and any firm, trust, corporation, officer, director, or
21 other individual or entity in which any Individual Defendant, China Green, or Kabani has a
22 controlling interest, and the legal representatives, heirs, successors in interest, or assigns of any
23 Defendant.

24 1.28 "Released Claims" means any and all claims, rights, demands, causes of action,
25 suits, matters, and issues of every kind and nature whatsoever, including, but not limited to, those
26 arising under contract, statute, or common law, including "Unknown Claims" as defined herein,
27 that have been asserted or could have been asserted by China Green or by China Green's
28 shareholders suing derivatively on behalf of China Green against the Released Persons: (i) in the

1 Actions; (ii) based on or related to the facts, transactions, events, occurrences, acts, disclosures,
2 statements, omissions or failures to act relating to the Company's disclosures at issue in the
3 Actions, including all matters alleged in any of the complaints filed in the Actions, and that could
4 have been alleged in the complaints up to and including the date of this Stipulation, and (iii) the
5 Settlement, except for any claims to enforce the Settlement.

6 1.29 "Released Persons" means each of the Individual Defendants and Kabani and each
7 of their Related Persons.

8 1.30 "Settlement" means mean the Settlement documented in this Stipulation.

9 1.31 "Settlement Counsel" means Robbins Umeda LLP, 600 B Street, Suite 1900, San
10 Diego, California 92101, the Weiser Law Firm, P.C., 121 N. Wayne Avenue, Suite 100, Wayne,
11 Pennsylvania, 19087, and Kessler Topaz Meltzer & Check, LLP, 280 King of Prussia Road,
12 Radnor, Pennsylvania, 19087.

13 1.32 "Settlement Hearing" means the hearing set by the Court to consider final
14 approval of the Settlement.

15 1.33 "State Action" means the consolidated shareholder derivative action pending in
16 the Court captioned *In re China Green Agriculture, Inc. Derivative Shareholder Litigation*, Lead
17 Case No. 10 OC 00563 1B.

18 1.34 "State Plaintiffs" means Karen Hall, Hongyi Yu, and Brian Wilson, individually
19 and derivatively on behalf of China Green.

20 1.35 "Stipulation" means this Stipulation of Settlement.

21 1.36 "Unknown Claims" means any of the Released Claims and any of the Defendants'
22 Released Claims that any Party does not know or suspect exists in his, her, or its favor at the time
23 of the Settlement including, without limitation, those claims which, if known, might have
24 affected the decision to enter into, or not object to, this Settlement. The Parties expressly waive,
25 relinquish, and release any and all provisions, rights, and benefits conferred by or under section
26 1542 of the California Civil Code ("Section 1542") or any other law of the United States or any
27 state or territory of the United States, or principle of common law, which is similar, comparable,
28 or equivalent to Section 1542, which provides:

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

5 The Parties acknowledge that they may discover facts in addition to or different from those now
6 known or believed to be true by them, with respect to the Released Claims and Defendants'
7 Released Claims in the Settlement, as the case may be, but it is the intention of the Parties to
8 completely, fully, finally, and forever compromise, settle, release, discharge, and extinguish any
9 and all Released Claims and Defendants' Released Claims known or unknown, suspect or
10 unsuspected, contingent or absolute, accrued or unaccrued, apparent or unapparent, which do not
11 exist, or heretofore existed, or may hereafter exist, and without regard to the subsequent
12 discovery of additional or different facts.

12 **2. Terms of the Settlement**

13 2.1 As a direct result of the filing, prosecution, and Settlement of the Actions and the
14 efforts of Plaintiffs' Counsel, the Board has approved the corporate governance measures set
15 forth at Exhibit A and, subject to the Court's approval of the settlement, the Board will cause the
16 Company to adopt such measures within thirty days, unless specifically provided otherwise in
17 the corporate governance measures, of issuance of an order approving the Settlement of the
18 Actions and to keep such measures in force and effect for a period of no less than five years,
19 except where the time frame is expressly provided for otherwise, or except where further
20 changes are necessary to reflect changes in the law, regulations, exchange listing requirements,
21 or business needs of the Company.

22 2.2 China Green and the Individual Defendants acknowledge and agree that the filing,
23 prosecution, and Settlement of the Actions were a substantial material factor behind the Board's
24 decision to implement these corporate governance measures. China Green and the Individual
25 Defendants further acknowledge and agree that the corporate governance measures are
26 significant and extensive and confer substantial benefits upon China Green and its shareholders
27 by, among other things, further improving the corporate governance, internal controls, and
28 disclosure procedures at the Company.

3. **Preliminary Approval and Notice**

1 3.1 Promptly after execution of this Stipulation, the Parties shall submit this
2 Stipulation together with its exhibits to the Court and shall jointly apply for entry of the
3 Preliminary Approval Order, substantially in the form of Exhibit B attached hereto, requesting:
4 (i) preliminary approval of the Settlement as set forth in this Stipulation; (ii) approval of the form
5 and manner of providing notice of the Settlement to Current China Green Shareholders; and (iii)
6 a date for the Settlement Hearing.

7 3.2 Notice to Current China Green Shareholders shall consist of the Summary Notice
8 of Pendency and Proposed Settlement of Shareholder Derivative Actions ("Summary Notice"),
9 substantially in the form attached hereto as Exhibit C, and the Notice of Pendency and Proposed
10 Settlement of Shareholder Derivative Actions ("Notice"), substantially in the form attached
11 hereto as Exhibit D. The Parties believe the content and manner of the notices requested
12 constitute adequate and reasonable notice to Current China Green Shareholders pursuant to
13 applicable law and due process.

14 3.3 Within ten calendar days after the entry of the Preliminary Approval Order, China
15 Green shall publish the Summary Notice once in *Investor's Business Daily*. China Green and its
16 insurers shall be responsible for the costs associated with publishing the Summary Notice.

17 3.4 Within ten calendar days after the entry of the Preliminary Approval Order, China
18 Green shall post copies of the Notice and this Stipulation on its company website and cause a
19 copy of the Notice to be filed with the SEC via a Form 8-K.

20 3.5 Within ten calendar days after the entry of the Preliminary Approval Order,
21 Robbins Umeda LLP shall post copies of the Notice and this Stipulation on its firm website.

22 3.6 Pending the Court's determination as to final approval of the Settlement, Plaintiffs
23 and Current China Green Shareholders are barred and enjoined from commencing, prosecuting,
24 instigating, or in any way participating in the commencement or prosecution of any action
25 asserting any Released Claim against any of the Released Persons.

26 3.7 Within five calendar days after entry by the Court of the Judgment approving the
27 Settlement, the Federal Plaintiffs shall file a voluntary dismissal in the Federal Action,
28 dismissing the Federal Action with prejudice, and shall use their reasonable best efforts to take,

1 or cause to be taken, all actions, and to do, or cause to be done, all things, reasonably necessary,
2 proper, or advisable under applicable laws, regulations, and agreements to secure such dismissal
3 with prejudice.

4 **4. Releases**

5 4.1 Upon the Effective Date, Plaintiffs, China Green, and Current China Green
6 Shareholders shall be deemed to have, and by operation of the Judgment shall have, fully,
7 finally, and forever settled, released, discharged, extinguished, and dismissed with prejudice the
8 Released Claims against the Released Persons; provided, however, that such release shall not
9 affect any claims to enforce the terms of this Stipulation or the Settlement.

10 4.2 Upon the Effective Date, each of the Released Persons shall be deemed to have,
11 and by operation of the Judgment shall have, fully, finally, and forever settled, released,
12 discharged, extinguished, and dismissed with prejudice the Defendants' Released Claims against
13 Plaintiffs and Plaintiffs' Counsel; provided, however, that such release shall not affect any claims
14 to enforce the terms of this Stipulation or the Settlement.

15 4.3 Upon the Effective Date, Kabani shall be deemed to have, and by operation of the
16 Judgment shall have, fully, finally, and forever settled, released, discharged, and extinguished
17 any and all claims against China Green, the Individual Defendants, and their Related Persons,
18 including but not limited to claims for indemnification, contribution or breach of contract, except
19 this does not include any outstanding fees for prior audit work; provided, however, that such
20 release shall not affect any claims to enforce the terms of this Stipulation or the Settlement. This
21 release includes Unknown Claims under section 1542 of the California Civil Code or any other
22 law of the United States or any state or territory of the United States, or principle of common
23 law, which is similar, comparable, or equivalent to Section 1542, which provides:

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

27 **5. Attorneys' Fees and Expenses**

28 5.1 In recognition of the substantial benefits conferred upon China Green as a direct
result of the prosecution and Settlement of the Actions, and subject to Court approval, China

1 Green and Kabani shall cause their insurers to pay Plaintiffs' attorneys' fees and expenses in the
2 amount of \$650,000 (the "Fee Amount"), with China Green's insurers contributing \$525,000 and
3 Kabani's insurer contributing \$125,000 to the Settlement. The Fee Amount was negotiated after
4 the Parties had substantially negotiated the material terms of the Settlement.

5 5.2 The Fee Amount shall be paid to Robbins Umeda LLP, as receiving agent for all
6 of Plaintiffs' Counsel, within ten business days after the Court enters an order preliminarily
7 approving the Settlement, subject to Plaintiffs' Counsel's obligation to refund that amount if it is
8 reversed or modified on appeal. Settlement Counsel shall be responsible for allocation of the Fee
9 Amount to Plaintiffs' Counsel based upon each counsel's contribution to the institution,
10 prosecution, and resolution of the Actions, and no allocation shall be made absent the unanimous
11 agreement of Settlement Counsel. Except as otherwise provided herein, each of the Parties shall
12 bear his, her, or its own fees and costs.

13 **6. Conditions of Settlement, Effect of Disapproval, Cancellation, or**
14 **Termination**

15 6.1 The Settlement shall be conditioned on the occurrence of all of the following
16 events:

17 (a) Court approval of the Settlement following notice to Current China Green
18 Shareholders and the Settlement Hearing;

19 (b) entry of the Judgment in the State Action;

20 (c) dismissal of the Federal Action with prejudice;

21 (d) payment to Plaintiffs' Counsel of attorneys' fees and expenses as approved
22 by the Court; and

23 (e) the Judgment has become Final.

24 6.2 If any of the conditions listed in paragraph 6.1 are not met, this Stipulation and
25 any Settlement documentation shall be null and void and of no force and effect, unless Plaintiffs'
26 Co-Lead Counsel and Defendants' Counsel mutually agree in writing to proceed with this
27 Stipulation. In the event that any of the conditions listed in paragraph 6.1 are not met, the Parties
28 shall be restored to their positions on the date immediately prior to the execution date of this
Stipulation, and this Stipulation shall not be deemed to constitute an admission of fact by any

1 Party, and neither the existence of this Stipulation, nor its contents shall be admissible in
2 evidence or be referred to for any purposes in the Actions or in any litigation or judicial
3 proceeding.

4 **7. Bankruptcy**

5 7.1 In the event of any proceedings by or on behalf of China Green, whether
6 voluntary or involuntary, initiated under any chapter of the U.S. Bankruptcy Code, including any
7 act of receivership, asset seizure, or similar federal or state law action ("Bankruptcy
8 Proceedings"), the Parties agree to use their reasonable best efforts to obtain all necessary orders,
9 consents, releases, and approvals for effectuation of this Stipulation in a timely and expeditious
10 manner. By way of example only, the Parties agree to cooperate in making applications and
11 motions to the bankruptcy court for relief from any stay, approval of the Settlement, authority to
12 release funds, authority for China Green's insurers to disburse insurance proceeds consistent with
13 this Stipulation, authority to release claims and indemnify officers and directors, and authority
14 for the Court to enter all necessary orders and judgments, and any other actions reasonably
15 necessary to effectuate the terms of this Stipulation.

16 7.2 If any Bankruptcy Proceedings on behalf of China Green are initiated prior to the
17 payment of the Fee Amount, the Parties agree to seek an order from the bankruptcy court
18 presiding over such Bankruptcy Proceedings: (i) either lifting the automatic stay for limited
19 purposes of authorizing such payment, or finding that the payment of the Fee Amount on behalf
20 of the Individual Defendants by their insurer or insurers under their respective policies or related
21 compromise of coverage and the releases provided pursuant to this Stipulation does not violate
22 the automatic stay; and (ii) finding that the payment of the Fee Amount on behalf of the
23 Individual Defendants by their insurer or insurers under their respective policies does not
24 constitute a preference, voidable transfer, fraudulent transfer, or similar transaction. In addition,
25 in the event of any Bankruptcy Proceedings by or on behalf of China Green, the Parties agree
26 that all dates and deadlines set forth herein will be extended for such periods of time as are
27 necessary to obtain necessary orders, consents, releases, and approvals from the bankruptcy court
28 to carry out the terms and conditions of this Stipulation.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

8. Miscellaneous Provisions

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

8.2 In the event that any part of the Settlement is found to be unlawful, void, unconscionable, or against public policy by a court of competent jurisdiction, any Party shall have the option to withdraw from the Settlement.

8.3 The Parties agree that terms of the Settlement were negotiated in good faith by the Parties, and reflect a Settlement that was reached voluntarily after consultation with competent legal counsel. In addition, the Parties agree that during the course of the Actions the Parties and their respective counsel at all times acted professionally and in compliance with Rule 11 of the Nevada Rules of Civil Procedure ("Rule 11") and any other court rule or statute with respect to any claims or defenses in the Actions. Accordingly, the Judgment in the Actions will contain a finding that during the course of the litigation, the Parties and their respective counsel at all times complied with the requirements of Rule 11 and any other court rule or statute with respect to any claims or defenses in the Actions. The Parties reserve their right to rebut, in a manner that such party determines to be appropriate, any contention made in any public forum that the Actions was brought or defended in bad faith or without a reasonable basis.

8.4 The existence of or the provisions contained in this Stipulation shall not be deemed to prejudice in any way the respective positions of the Parties with respect to the Actions, shall not be deemed a presumption, a concession, or admission by any of the Parties of any fault, liability, or wrongdoing as to any facts, claims, or defenses that have been or might have been alleged or asserted in the Actions or with respect to any of the claims settled in the Actions, or any other action or proceeding, and shall not be interpreted, construed, deemed, invoked, offered, or received in evidence or otherwise used by any person in the Actions, or in any other action or proceeding, except for any litigation or judicial proceeding arising out of or relating to this Stipulation or the Settlement whether civil, criminal, or administrative, for any purpose other than as provided expressly herein.

1 8.5 The exhibits to this Stipulation are material and integral parts hereof and are fully
2 incorporated herein by this reference. This Stipulation and the exhibits attached hereto represent
3 the complete and final resolution of all disputes between the Parties with respect to the Actions,
4 constitute the entire agreement among the Parties, and supersede any and all prior negotiations,
5 discussions, agreements, or undertakings, whether oral or written, with respect to such matters.

6 8.6 This Stipulation may be modified or amended only by a writing signed by the
7 signatories hereto.

8 8.7 This Stipulation shall be deemed drafted equally by all Parties hereto.

9 8.8 This Stipulation and the Settlement contemplated by it shall be governed by, and
10 construed in accordance with, the laws of the State of Nevada, without regard to Nevada's
11 conflict of law rules.

12 8.9 No representations, warranties, or inducements have been made to any of the
13 Parties concerning this Stipulation or its exhibits other than the representations, warranties, and
14 covenants contained and memorialized in such documents.

15 8.10 Each counsel or other Person executing this Stipulation or its exhibits on behalf of
16 any of the Parties hereby warrants that such Person has the full authority to do so.

17 8.11 This Stipulation shall be binding upon and inure to the benefit of the Parties and
18 their respective agents, executors, heirs, successors, and assigns.

19 8.12 This Stipulation may be executed in counterparts by the signatories hereto,
20 including by facsimile, and as so executed shall constitute one agreement.

21 8.13 All proceedings in the Actions shall be stayed, except as provided in this
22 Stipulation. Other than seeking approval of the Settlement or as permitted herein or as may be
23 expressly required by the Court, Plaintiffs and Plaintiffs' Counsel agree that Plaintiffs will not
24 take any action, take any discovery, or make any filings in the Actions other than those
25 contemplated by this Stipulation.

26 8.14 The Court shall retain jurisdiction with respect to implementation and
27 enforcement of the terms of this Stipulation, and the Parties submit to the jurisdiction of the
28 Court for purposes of implementing and enforcing the Settlement embodied in this Stipulation.

1 IN WITNESS WHEREOF, the Parties hereto have caused this Stipulation to be executed,
2 by their duly authorized attorneys, dated this 10 day of January, 2012.

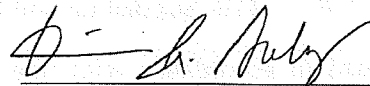
3 **AFFIRMATION**

4 (Pursuant to NRS 239B.030)

5 The undersigned does hereby affirm that the preceding document filed in the above
6 referenced matter does not contain the social security number of any person.

7 DATED: January 10, 2012

8 ROBBINS UMEDA LLP
9 BRIAN J. ROBBINS
10 KEVIN A. SEELY
11 LAUREN N. OCHENDUSZKO



12 KEVIN A. SEELY, ESQ.

13 600 B Street, Suite 1900
14 San Diego, CA 92101
15 Telephone: (619) 525-3990
16 Facsimile: (619) 525-3991

17 *Co-Lead Counsel for State Plaintiffs*

18 DATED: January _____, 2012

19 THE WEISER LAW FIRM, P.C.
20 ROBERT B. WEISER
21 BRETT D. STECKER
22 JEFFREY J. CIARLANTO

23 ROBERT B. WEISER, ESQ.

24 121 N. Wayne Avenue, Suite 100
25 Wayne, PA 19087
26 Telephone: (610) 225-2677
27 Facsimile: (610) 225-2678

28 THE WEISER LAW FIRM, P.C.
KATHLEEN A. HERKENHOFF
12707 High Bluff Drive, Suite 200
San Diego, CA 92130
Telephone: (858) 794-1441
Facsimile: (858) 794-1450

Co-Lead Counsel for State Plaintiffs

1 IN WITNESS WHEREOF, the Parties hereto have caused this Stipulation to be executed,
2 by their duly authorized attorneys, dated this ___ day of _____, 2012.

3 **AFFIRMATION**

4 (Pursuant to NRS 239B.030)

5 The undersigned does hereby affirm that the preceding document filed in the above
6 referenced matter does not contain the social security number of any person.

7 DATED: January _____, 2012

ROBBINS UMEDA LLP
BRIAN J. ROBBINS
KEVIN A. SEELY
LAUREN N. OCHENDUSZKO

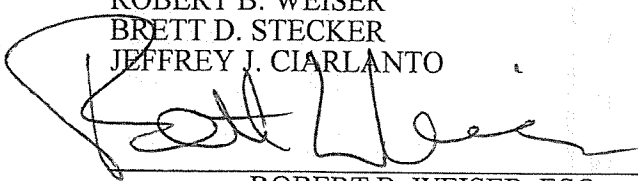
10 _____
11 KEVIN A. SEELY, ESQ.

600 B Street, Suite 1900
San Diego, CA 92101
Telephone: (619) 525-3990
Facsimile: (619) 525-3991

Co-Lead Counsel for State Plaintiffs

15 DATED: January 8, 2012

16 THE WEISER LAW FIRM, P.C.
17 ROBERT B. WEISER
18 BRETT D. STECKER
19 JEFFREY J. CIARLANTO



20 _____
21 ROBERT B. WEISER, ESQ.

121 N. Wayne Avenue, Suite 100
Wayne, PA 19087
Telephone: (610) 225-2677
Facsimile: (610) 225-2678

22 THE WEISER LAW FIRM, P.C.
23 KATHLEEN A. HERKENHOFF
24 12707 High Bluff Drive, Suite 200
25 San Diego, CA 92130
26 Telephone: (858) 794-1441
27 Facsimile: (858) 794-1450

Co-Lead Counsel for State Plaintiffs

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

THE O'MARA LAW FIRM, P.C.
DAVID C. O'MARA, ESQ. (BAR NO. 8599)
WILLIAM M. O'MARA, ESQ. (BAR NO. 837)
311 East Liberty Street
Reno, NV 89501
Telephone: (775) 323-1321
Facsimile: (775) 323-4082

Liaison Counsel for State Plaintiffs

ALDRICH LAW FIRM, LTD
JOHN P. ALDRICH
1601 S. Rainbow Blvd., Suite 160
Las Vegas, NV 89146
Telephone: (702) 853-5490
Facsimile: (702) 227-1975

*Additional Counsel for Plaintiff Hongyi Yu and
Brian Wilson*

GLANCY BINKOW & GOLDBERG LLP
Lionel Z. Glancy
Michael Goldberg
1801 Avenue of the Stars, Suite 311
Los Angeles, CA 90067
Telephone: (310) 201-9150
Facsimile: (310) 201-9160

LAW OFFICES OF HOWARD G. SMITH
Howard G. Smith
3070 Bristol Pike, Suite 112
Bensalem, PA 19020
Telephone: (215) 638-4847
Facsimile: (215) 638-4867

Additional Counsel for Plaintiff Brian Wilson

DATED: January 9, 2012

KESSLER TOPAZ
MELTZER & CHECK, LLP
ERIC L. ZAGAR
RICHARD KIM



ERIC L. ZAGAR, ESQ.

280 King of Prussia Road
Radnor, PA 19087
Telephone: (610) 667-7706
Facsimile: (610) 667-7056

Counsel for Federal Plaintiffs

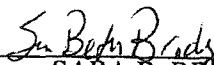
1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

LAW OFFICES OF CURTIS B. COULTER, P.C.
Curtis B. Coulter
403 Hill Street
Reno, NV 89501
Telephone: (775) 324-3380
Facsimile: (775) 324-3381

Liaison Counsel for Federal Plaintiffs

DATED: January 9, 2012

SIDLEY AUSTIN LLP
SARA B. BRODY
CECILIA Y. CHAN


SARA B. BRODY, ESQ.

555 California Street
San Francisco, CA 94104
Telephone: (415) 772-1200
Facsimile: (415) 772-7400

Counsel for the Individual Defendants Tao Li, Ying Yang, Ken Ren, Yu Hao, Lianfu Liu, Robert Fields, and Yizhao Zhang, and Nominal Defendant China Green Agriculture, Inc.

DOWNEY BRAND LLP
M. MAX STEINHEIMER, ESQ. (BAR NO. 2208)
JEFFREY S. GALVIN, ESQ. (BAR NO. 10591)
CARRIE L. PARKER, ESQ. (BAR NO. 10952)
427 West Plumb Lane
Reno, Nevada 89509
Telephone: (775) 329-5900
Facsimile: (775) 786-5443

Liaison Counsel for the Individual Defendants Tao Li, Ying Yang, Ken Ren, Yu Hao, Lianfu Liu, Robert Fields, and Yizhao Zhang, and Nominal Defendant China Green Agriculture, Inc.

DATED: January _____, 2012

LECLAIR RYAN
JENNIFER L. SARVADI

JENNIFER L. SARVADI, ESQ.

2318 Mill Road, Suite 1100
Alexandria, VA 22314
Telephone: (703) 647-5944
Facsimile: (703) 684-8075

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

LAW OFFICES OF CURTIS B. COULTER, P.C.
Curtis B. Coulter
403 Hill Street
Reno, NV 89501
Telephone: (775) 324-3380
Facsimile: (775) 324-3381

Liaison Counsel for Federal Plaintiffs

DATED: January _____, 2012

SIDLEY AUSTIN LLP
SARA B. BRODY
CECILIA Y. CHAN

SARA B. BRODY, ESQ.

555 California Street
San Francisco, CA 94104
Telephone: (415) 772-1200
Facsimile: (415) 772-7400

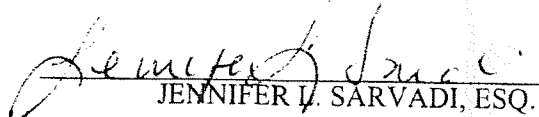
Counsel for the Individual Defendants Tao Li, Ying Yang, Ken Ren, Yu Hao, Lianfu Liu, Robert Fields, and Yizhao Zhang, and Nominal Defendant China Green Agriculture, Inc.

DOWNEY BRAND LLP
M. MAX STEINHEIMER, ESQ. (BAR NO. 2208)
JEFFREY S. GALVIN, ESQ. (BAR NO. 10591)
CARRIE L. PARKER, ESQ. (BAR NO. 10952)
427 West Plumb Lane
Reno, Nevada 89509
Telephone: (775) 329-5900
Facsimile: (775) 786-5443

Liaison Counsel for the Individual Defendants Tao Li, Ying Yang, Ken Ren, Yu Hao, Lianfu Liu, Robert Fields, and Yizhao Zhang, and Nominal Defendant China Green Agriculture, Inc.

DATED: January 9, 2012

LECLAIR RYAN
JENNIFER L. SARVADI


JENNIFER L. SARVADI, ESQ.

2318 Mill Road, Suite 1100
Alexandria, VA 22314
Telephone: (703) 647-5944
Facsimile: (703) 684-8075

THORNDAL, AMSTRONG, DELK,
BALKENBUSH & EISINGER



STEPHEN C. BALKENBUSH

6590 S. McCarran Blvd., Suite B
Reno, NV 89509
Telephone: (775) 786-2882
Facsimile: (775) 786-8004

*Counsel for Federal Defendant Kabani &
Company, Inc.*

- 1
- 2
- 3
- 4
- 5
- 6
- 7
- 8
- 9
- 10
- 11
- 12
- 13
- 14
- 15
- 16
- 17
- 18
- 19
- 20
- 21
- 22
- 23
- 24
- 25
- 26
- 27
- 28

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

AFFIRMATION
(Pursuant to NRS 239B.030)

The undersigned does hereby affirm that the preceding document filed in the above referenced matter:

 X Document does not contain the social security number of any person

OR

 Document contains the social security number of a person as required by:

 A specific state or federal law, to wit:

-or-

 For the administration of a public program


-or-

 For the application for a federal or state grant

 Confidential Family Court Information Sheet (NRS 125.130, NRS 125.230 and NRS 125B.055)

DATED: January 9, 2012

THE O'MARA LAW FIRM, P.C.



DAVID C. O'MARA

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

INDEX OF EXHIBITS

<u>Exhibit No.</u>	<u>Description</u>	<u>No. of Pages</u>
A	Corporate Governance Term Sheet	3
B	[Proposed] Order Preliminarily Approving Settlement and Providing for Notice	5
C	Summary Notice of Pendency and Proposed Settlement of Shareholder Derivative Actions	3
D	Notice of Pendency and Proposed Settlement of Shareholder Derivative Actions	8
E	[Proposed] Final Order and Judgment	3

656915

EXHIBIT A

EXHIBIT A

[Faint, illegible text, likely bleed-through from the reverse side of the page]

EXHIBIT A

EXHIBIT A

CORPORATE GOVERNANCE TERM SHEET

Subject to court approval of the settlement, the Board of Directors ("Board") of China Green Agriculture, Inc. ("CGA" or the "Company") has authorized the Company to adopt the following Corporate Governance Reforms. The Company further commits that these Corporate Governance Reforms will be maintained for five years, except where the time frame is expressly provided for herein, or except where further changes are necessary to reflect changes in the law, regulations, exchange listing requirements, or business needs of the Company.

I. INDEPENDENT CONSULTANT ON CORPORATE GOVERNANCE

- The Company has engaged Ernst & Young ("E&Y") from November 2010 to November 2011 regarding the Sarbanes-Oxley Act of 2002 ("SOX"), section 404 compliance. If necessary and appropriate, the Company will extend the engagement with E&Y (or retain another appropriate SOX compliance consultant) until the completion of the project.
- The Company will either extend the E&Y engagement or will contract with another appropriate compliance consultant to assist CGA in implementing additional processes and procedures so as to be in compliance with the Dodd-Frank Wall Street Reform and Consumer Protection Act, when the Dodd-Frank rule-making process is completed.

II. BOARD OF DIRECTORS

- New Board Seats. The Company will agree to use best efforts to locate and appoint another independent director, who qualifies under the NYSE rules of financial literacy and accounting or related financial management expertise so as to serve on the Audit Committee within the next year.
- Committees. Any director may only be the Chair of one standing committee (Audit, Compensation, or Nominating), except in exigent circumstances.
- Self-Evaluation. The Board will annually conduct a self-evaluation, which shall include each Board member's individual participation in responding to a confidential questionnaire which shall be sent to outside counsel for review and discussion. The questionnaire shall contain the following topics, among others: (i) the Board's role (corporate strategy, budgets, core operations, shareholder value); (ii) the Board & Committee's Structure (size, independence, compensation); the Board's Relationship with Management (communication, support and challenging); and the

Board's Information, Training, and Resources (expertise and time, materials and dialog at meetings).

- Training. The Company agrees to provide an internal training, by its outside counsel or consultants, regarding issues of director responsibilities and director duties. This training will be held within twelve months of court approval of this settlement agreement and adjacent to a Board meeting. The Company further agrees to provide an internal refresher course to directors once every two years thereafter.

III. AUDITING AND ACCOUNTING PROCEDURES

- The Company shall agree that as a result of derivative lawsuits, the Company has engaged an independent CPA firm, Pickard & Green, to evaluate and implement improvements on the Company's systems on U.S. Securities and Exchange Commission ("SEC") reporting for 2011, and if necessary and appropriate, will extend the engagement for an additional year.
- The Company shall agree that as a result of the derivative lawsuits and the engagement of Pickard & Green, the Company has improved the following: reporting protocol; archiving of documents; financial consolidation process and procedures; and training of personnel in connection with quarterly financial rollup, reporting, and disclosure.
- The Company shall agree that as a result of the derivative lawsuits, the Company has implemented a Disclosure Task Force to review SEC filings. The Disclosure Task Force will become a Disclosure Committee, which shall be comprised of the individuals in the following positions: Controller, Finance Director, CFO, Board Secretary, and IR officer. In addition to these members, the CEO shall be an advisory member of the Disclosure Committee, to provide input and to be consulted with as appropriate. The Disclosure Committee, or its representative, shall meet with the Audit Committee on an annual basis in preparation of the Company's filing of its form 10-K with the SEC.
- The Company shall create a position for an additional China-based individual in the Finance Department to assist in the preparation of SEC filings and GAAP requirements.
- The Company shall provide periodic training to those on the finance team and other relevant personnel with responsibility for U.S. GAAP accounting and financial reporting.
- The Company shall amend its Audit Committee Charter to include the following provision:

The Audit Committee shall regularly report to the Board any issues that arise with respect to the quality or integrity of the Company's financial statements, the Company's compliance with legal or regulatory requirements, the performance and independence of the Company's independent auditors, and the performance of the internal audit function.

IV. PRESERVATION OF DOCUMENTS

- The Company agrees to maintain all documents filed with United States and the People's Republic of China government agencies, including the supporting documents for these submissions, for either seven years from the submission to the relevant government agency or the period as required by the applicable agency for such documents, whichever is longer.

V. MATTERS RELATING TO INDEPENDENT AUDITORS

- The Company agrees to use its best efforts to retain either a "Big 4" audit firm or a large international audit firm for its next fiscal year (July 1, 2011 – June 30, 2012).

VI. WHISTLE-BLOWER HOTLINE

- The Company shall continue to maintain a complaint box and a whistleblower hotline and email address. The complaint box shall be maintained at the Company's headquarters. The contact information for the whistleblower hotline and email address shall continue to be provided in the Employee Handbook, and additionally, the Company further agrees to post it conspicuously at the Company, such as in break rooms or other appropriate employee gathering locations. In addition, the Company agrees to post the whistleblower hotline and email address on its website. Employees may use this communication channel to report concerns relating to ethical business or personal conduct, integrity, and professionalism. This reporting system, however, shall not replace the other methods employees have traditionally used to communicate with China Green.

EXHIBIT B

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

IN THE FIRST JUDICIAL DISTRICT COURT OF THE STATE OF NEVADA
IN AND FOR CARSON CITY

IN RE CHINA GREEN AGRICULTURE,) Lead Case No. 10 OC 00563 1B
INC. DERIVATIVE SHAREHOLDER)
LITIGATION) (Consolidated with Case Nos. 11 OC 00208
1B and 11 OC 00202 1B)

This Document Relates To:)
ALL ACTIONS) Dept. No. I
[PROPOSED] ORDER PRELIMINARILY
APPROVING SETTLEMENT AND
PROVIDING FOR NOTICE
EXHIBIT B

1 WHEREAS, a consolidated shareholder derivative action is pending before the Court
2 under the caption *In re China Green Agriculture, Inc. Derivative Shareholder Litigation*, Lead
3 Case No. 10 OC 00563 1B;

4 WHEREAS, a related shareholder derivative action is pending in the U.S. District Court
5 for the District of Nevada under the caption *Rier v. Li*, Case No. 1:11-CV-00039;

6 WHEREAS, the Parties have made an application for an order: (i) preliminarily
7 approving the proposed Settlement of the Actions in accordance with the Stipulation of
8 Settlement (the "Stipulation"), which together with the exhibits annexed thereto, sets forth the
9 terms and conditions for the proposed settlement of the Actions (the "Settlement"); (ii) approving
10 the form and content of the notices for posting on the websites of Robbins Umeda LLP and
11 China Green Agriculture, Inc. ("China Green" or the "Company"), for publication in *Investor's*
12 *Business Daily*, and for filing with the U.S. Securities and Exchange Commission ("SEC") via a
13 Current Report on Form 8-K; and (iii) setting a date for the Settlement Hearing;

14 WHEREAS, the Court having: (i) read and considered State Plaintiffs' Unopposed
15 Motion for Preliminary Approval of Settlement together with the accompanying Memorandum
16 of Law; (ii) read and considered the Stipulation, as well as all the exhibits attached thereto; and
17 (iii) heard and considered arguments by counsel for the Parties in favor of preliminary approval
18 of the Settlement;

19 WHEREAS, the Court finds, upon a preliminary evaluation, that the proposed Settlement
20 falls within the range of possible approval criteria, as it provides a beneficial result for China
21 Green and appears to be the product of good-faith, informed, and non-collusive negotiations
22 between experienced and able counsel for the Parties;

23 WHEREAS, the Court also finds, upon a preliminary evaluation, that Current China
24 Green Shareholders should be apprised of the Settlement through the proposed form of notice,
25 allowed to file objections, if any, thereto, and to appear at the Settlement Hearing; and

26 WHEREAS, except as otherwise expressly provided herein, all capitalized terms shall
27 have the same meanings and/or definitions as set forth in the Stipulation.

28

1 NOW, THEREFORE, UPON GOOD CAUSE SHOWN, IT IS HEREBY ORDERED as
2 follows:

3 1. The Court does hereby preliminarily approve the Settlement as set forth in
4 Stipulation, subject to further consideration at the Settlement Hearing described below.

5 2. Pending the Court's determination as to final approval of the Settlement, Plaintiffs
6 and all Current China Green Shareholders are barred and enjoined from commencing,
7 prosecuting, instigating, or in any way participating in the commencement or prosecution of any
8 action asserting any Released Claim against any of the Released Persons.

9 3. The Settlement Hearing shall be held before this Court on _____,
10 2012, at ___:___ .m., in the First Judicial District Court of Nevada in and for Carson City, located
11 at 885 East Musser Street, Suite 3031, Carson City, Nevada 89701, to determine: (i) whether the
12 Settlement of the State Action on the terms and conditions provided for in the Stipulation is fair,
13 reasonable, and adequate to China Green and should be approved by the Court; (ii) whether the
14 State Action should be dismissed with prejudice; and (iii) whether the Court should approve the
15 Fee Amount. The Court may adjourn the Settlement Hearing without further notice to Current
16 China Green Shareholders.

17 4. The Court approves, as to form and content, the Summary Notice of Pendency
18 and Proposed Settlement of Shareholder Derivative Actions ("Summary Notice") and the Notice
19 of Pendency and Proposed Settlement of Shareholder Derivative Actions ("Notice") and finds
20 that the provisions of the Summary Notice and Notice, substantially in the manner and form set
21 forth in Exhibits C and D to the Stipulation, meet the requirements of Nevada law and due
22 process, and provide the best notice practicable under the circumstances, and shall constitute due
23 and sufficient notice to all Persons entitled thereto. Non-material changes to the form of Notice
24 may be made without further approval of the Court.

25 5. Within ten calendar days after the entry of this Order, China Green shall publish
26 the Summary Notice once in *Investor's Business Daily*. The costs associated with publishing the
27 Summary Notice shall be paid by Defendants.

28

1 6. Within ten calendar days after the entry of this Order, China Green shall post
2 copies of the Notice and the Stipulation on its company website and cause a copy of the Notice
3 to be filed with the U.S. Securities and Exchange Commission ("SEC") via a Form 8-K.

4 7. Within ten calendar days after the entry of this Order, Robbins Umeda LLP shall
5 post copies of the Notice and the Stipulation on its firm website.

6 8. At least ten calendar days prior to the Settlement Hearing, Plaintiffs' Co-Lead
7 Counsel and Defendants' Counsel shall file with the Court an appropriate affidavit or declaration
8 with respect to filing publishing and posting of the Summary Notice and Notice.

9 9. Any Current China Green Shareholder may object and/or appear and show cause,
10 if he, she, or it has any concern, why the Settlement should not be finally approved as fair,
11 reasonable, and adequate, or why the Judgment should not be entered thereon, or why the Fee
12 Amount should not be finally approved, provided, however, unless otherwise ordered by the
13 Court, no Current China Green Shareholder shall be heard or entitled to contest the approval of
14 the terms and conditions of the Settlement, or, if approved, the Judgment to be entered thereon
15 approving the same, or the Fee Amount, unless that shareholder has, ***at least fourteen calendar***
16 ***days prior to the Settlement Hearing:*** (1) filed with the Clerk of the Court a written objection to
17 the settlement setting forth: (a) the nature of the objection; (b) proof of ownership of China
18 Green common stock through the date of the Settlement Hearing, including the number of shares
19 of China Green common stock and the date of purchase; and (c) any documentation in support of
20 such objection; and (2) if a Current China Green Shareholder intends to appear and requests to be
21 heard at the Settlement Hearing, such shareholder must have, in addition to the requirements of
22 (1) above, filed with the Clerk of the Court: (a) a written notice of such shareholder's intention to
23 appear; (b) a statement that indicates the basis for such appearance; and (c) the identities of any
24 witnesses the shareholder intends to call at the Settlement Hearing and a statement as to the
25 subjects of their testimony. If a Current China Green Shareholder files a written objection and/or
26 written notice of intent to appear, such shareholder must also simultaneously serve copies of
27 such notice, proof, statement, and documentation, together with copies of any other papers or
28

1 briefs such shareholder files with the Court (either by hand delivery or by first class mail) upon
2 each of the following:

3 ROBBINS UMEDA LLP
4 Attn: Kevin A. Seely, Esq.
5 600 B Street, Suite 1900
6 San Diego, CA 92101

7 THE WEISER LAW FIRM, P.C.
8 Attn: Robert B. Weiser, Esq.
9 121 N. Wayne Avenue, Suite 100
10 Wayne, PA 19087

11 *Co-Lead Counsel for Plaintiffs*

12 SIDLEY AUSTIN LLP
13 Attn: Sara B. Brody, Esq.
14 555 California Street
15 San Francisco, CA 94104

16 *Counsel for China Green and the Individual Defendants*

17 LeCLAIRRYAN
18 Attn: Jennifer Sarvadi, Esq.
19 2318 Mill Road, Suite 1100
20 Alexandria, VA 22314

21 *Counsel for Kabani & Company, Inc.*

22 Any Current China Green Shareholder who does not make his, her, or its objection in the manner
23 provided herein shall be deemed to have waived such objection and shall forever be foreclosed
24 from making any objection to the fairness, reasonableness, or adequacy of the settlement or the
25 Fee Amount as incorporated in the Stipulation, unless otherwise ordered by the Court, but shall
26 otherwise be bound by the Judgment to be entered and the releases to be given.

27 10. No later than seven calendar days before the Settlement Hearing, all briefs
28 supporting the Settlement, including any responses to stockholder objections, if any, shall be
served and filed.

11 11. Any Current China Green Shareholder who does not make his, her, or its
12 objection to the Settlement before or at the Settlement Hearing shall be deemed to have waived
13 such objection and shall be forever foreclosed from making any objection to the Settlement.

14 12. All Current China Green Shareholders (and his, hers, or its successors,
15 predecessors, and assigns) shall be bound by all determinations and judgments in the State
16 Action concerning the Settlement.

1. The first part of the document is a list of names and addresses.

2. The second part of the document is a list of names and addresses.

3. The third part of the document is a list of names and addresses.

4. The fourth part of the document is a list of names and addresses.

5. The fifth part of the document is a list of names and addresses.

6. The sixth part of the document is a list of names and addresses.

7. The seventh part of the document is a list of names and addresses.

8. The eighth part of the document is a list of names and addresses.

9. The ninth part of the document is a list of names and addresses.

10. The tenth part of the document is a list of names and addresses.

11. The eleventh part of the document is a list of names and addresses.

12. The twelfth part of the document is a list of names and addresses.

13. The thirteenth part of the document is a list of names and addresses.

EXHIBIT C

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

IN THE FIRST JUDICIAL DISTRICT COURT OF THE STATE OF NEVADA
IN AND FOR CARSON CITY

IN RE CHINA GREEN AGRICULTURE, INC. DERIVATIVE SHAREHOLDER LITIGATION	)	Lead Case No. 10 OC 00563 1B
_____	)	(Consolidated with Case Nos. 11 OC 00208 1B and 11 OC 00202 1B)
This Document Relates To:)	
ALL ACTIONS	)	Dept. No. I
	)	SUMMARY NOTICE OF PENDENCY AND PROPOSED SETTLEMENT OF SHAREHOLDER DERIVATIVE ACTIONS
_____	)	EXHIBIT C

EXHIBIT C

1 **TO: ALL OWNERS OF CHINA GREEN AGRICULTURE, INC. COMMON STOCK AS**
2 **OF JANUARY 10, 2012:**

3 YOU ARE HEREBY NOTIFIED, pursuant to an order of the First Judicial District Court
4 of the State of Nevada in and for Carson City (the "Court"), that the parties to the above captioned
5 action, as well as the parties to an action pending in the U.S. District Court for the District of
6 Nevada captioned *Rier v. Li*, Case No. 1:11-CV-00039 (collectively, the "Actions"), have reached
7 an agreement to settle the shareholder derivative claims brought on behalf and for the benefit of
8 China Green Agriculture, Inc. ("China Green" or the "Company"). If you are a China Green
9 shareholder, your rights to pursue certain derivative claims on behalf of China Green may be
10 affected by this settlement. This notice is not intended to be an expression of any opinion by the
11 Court with respect to the merits of the claims made in the Actions, but is merely to advise you of the
12 pendency and proposed settlement of the Actions. In consideration for the settlement, China Green
13 has agreed to adopt significant corporate governance reforms designed to strengthen the
14 Company's internal controls.

15 PLEASE BE FURTHER ADVISED that pursuant to an order of the Court, a Settlement
16 Hearing shall be held on _____, 2012, at ___:___m., before the Honorable James T.
17 Russell, located at 885 East Musser Street, Suite 3031, Carson City, Nevada 89701. At the
18 Settlement Hearing, the Court will consider whether to grant final approval of the settlement and
19 plaintiffs' attorneys' fees and expenses. The Court may adjourn the Settlement Hearing without
20 further notice to China Green shareholders.

21 The Stipulation of Settlement and the detailed Notice of Pendency and Proposed
22 Settlement of Shareholder Derivative Actions ("Notice"), describing the Actions, the proposed
23 settlement, and the rights of China Green shareholders with regard to the settlement, has been filed
24 with the Court and is available for viewing on the websites of Robbins Umeda LLP at
25 <http://www.robbinsumeda.com/notices.html> and China Green at <http://www.cgagri.com>.

26 You have the right, but are not required, to appear in person or through counsel at the
27 Settlement Hearing to object to the terms of the proposed settlement or otherwise present evidence
28 or argument that may be proper and relevant. However, you shall not be heard, and no papers,

1 briefs or other documents by you shall be received and considered by the Court (unless the Court
2 in its discretion shall thereafter otherwise direct, upon application of such person and for good
3 cause shown), unless not later than *fourteen calendar days prior to the Settlement Hearing*, you
4 file with the Clerk of Court located 885 East Musser Street, Suite 3031, Carson City, Nevada
5 89701: (i) a written notice of the nature of your objection with your name, address, and telephone
6 number, along with a representation as to whether you intend to appear at the Settlement Hearing;
7 (ii) competent evidence that you held shares of China Green common stock as of January 10, 2012,
8 and that you continue to hold shares of China Green common stock as of the date of the Settlement
9 Hearing; (iii) a statement of your objections to any matters before the Court, the grounds therefor
10 or the reasons for your desiring to appear and be heard, as well as all documents or writings you
11 desire the Court to consider; and (iv) the identities of any witnesses you plan on calling at the
12 Settlement Hearing, along with a summary description of their likely testimony.

13 In addition, on or before the date of such filing, *you must also serve the same documents*
14 *via first class mail or overnight delivery upon each of the following:*

15 ROBBINS UMEDA LLP
16 Attn: Kevin A. Seely, Esq.
600 B Street, Suite 1900
17 San Diego, CA 92101

18 THE WEISER LAW FIRM, P.C.
Attn: Robert B. Weiser, Esq.
19 121 N. Wayne Avenue, Suite 100
Wayne, PA 19087

20 *Co-Lead Counsel for Plaintiffs*

21 SIDLEY AUSTIN LLP
Attn: Sara B. Brody, Esq.
22 555 California Street
23 San Francisco, CA 94104

24 *Counsel for China Green and the Individual Defendants*

25 LeCLAIRRYAN
Attn: Jennifer Sarvadi, Esq.
26 2318 Mill Road, Suite 1100
Alexandria, Virginia 22314

27 *Counsel for Kabani & Company, Inc.*

28

1 Unless the Court otherwise directs, you shall not be entitled to object to the approval of the
2 settlement, to plaintiffs' attorneys' fees and expenses, or to otherwise be heard, except by serving
3 and filing a written objection and supporting papers and documents as prescribed above. *If you*
4 *fail to object in the manner and within the time prescribed above, you shall be deemed to have*
5 *waived your right to object (including the right to appeal) and shall forever be barred, in this*
6 *proceeding or in any other proceeding, from raising such objection(s).*

7 **PLEASE DO NOT TELEPHONE THE COURT OR CHINA GREEN**
8 **REGARDING THIS NOTICE**

9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

657163
SF1 1754789v.1

Faint, illegible text at the top of the page, possibly bleed-through from the reverse side.

ALL INFORMATION CONTAINED HEREIN IS UNCLASSIFIED
DATE 05/11/2011 BY 60322/UC/STP/STP

EXHIBIT D

Faint text at the bottom right corner, possibly a page number or reference code.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

IN THE FIRST JUDICIAL DISTRICT COURT OF THE STATE OF NEVADA
IN AND FOR CARSON CITY

IN RE CHINA GREEN AGRICULTURE, INC. DERIVATIVE SHAREHOLDER LITIGATION	)	Lead Case No. 10 OC 00563 1B
_____	)	(Consolidated with Case Nos. 11 OC 00208 1B and 11 OC 00202 1B)
This Document Relates To:)	
ALL ACTIONS	)	Dept. No. I
	)	NOTICE OF PENDENCY AND PROPOSED SETTLEMENT OF SHAREHOLDER DERIVATIVE ACTIONS
_____	)	EXHIBIT D

1 TO: ALL OWNERS OF CHINA GREEN AGRICULTURE, INC. ("CHINA GREEN"
2 OR "THE COMPANY") COMMON STOCK AS OF JANUARY 10, 2012
3 ("CURRENT CHINA GREEN SHAREHOLDERS").

4 PLEASE READ THIS NOTICE CAREFULLY AND IN ITS ENTIRETY. YOUR
5 RIGHTS MAY BE AFFECTED. THIS NOTICE RELATES TO A PROPOSED
6 SETTLEMENT AND DISMISSAL OF SHAREHOLDER DERIVATIVE
7 LITIGATION AND CONTAINS IMPORTANT INFORMATION REGARDING
8 YOUR RIGHTS. YOUR RIGHTS MAY BE AFFECTED BY LEGAL
9 PROCEEDINGS IN THIS ACTION.

10 IF THE COURT APPROVES THE SETTLEMENT AND DISMISSAL OF THE
11 ACTION, SHAREHOLDERS OF CHINA GREEN WILL BE FOREVER BARRED
12 FROM CONTESTING THE APPROVAL OF THE PROPOSED SETTLEMENT
13 AND FROM PURSUING THE SETTLED CLAIMS. THIS ACTION IS NOT A
14 "CLASS ACTION." THUS, THERE IS NO COMMON FUND UPON WHICH
15 YOU CAN MAKE A CLAIM FOR A MONETARY PAYMENT.

16 THE COURT HAS MADE NO FINDINGS OR DETERMINATIONS
17 RESPECTING THE MERITS OF THE ACTION. THE RECITATION OF THE
18 BACKGROUND AND CIRCUMSTANCES OF THE SETTLEMENT
19 CONTAINED HEREIN DOES NOT CONSTITUTE THE FINDINGS OF THE
20 COURT. IT IS BASED ON REPRESENTATIONS MADE TO THE COURT BY
21 COUNSEL FOR THE PARTIES.

22 IF YOU WERE NOT THE BENEFICIAL OWNER OF CHINA GREEN COMMON
23 STOCK ON THE RECORD DATE, PLEASE TRANSMIT THIS DOCUMENT TO
24 SUCH BENEFICIAL OWNER.

25 YOU ARE HEREBY NOTIFIED, pursuant to an order of the First Judicial District Court
26 of the State of Nevada in and for Carson City (the "Court"), that a proposed Settlement has been
27 reached between the Parties¹ to the following shareholder derivative actions brought on behalf of
28 China Green: (i) *In re China Green Agriculture, Inc. Shareholder Derivative Litigation*, Lead Case
No. 10 OC 00563 1B ("State Action"); and (ii) *Rier v. Li*, Case No. 1:11-CV-00039, pending the
U.S. District Court for the District of Nevada ("Federal Action") (collectively, the "Actions").

¹ For purposes of this Notice, the Court incorporates by reference the definitions in the Parties' Stipulation of Settlement ("Stipulation") fully executed as of January 10, 2012, and all capitalized terms used herein, unless otherwise defined, shall have the same meanings as set forth in the Stipulation. A copy of the Stipulation may be inspected at the Clerk of the Court's Office for the First Judicial District Court for the State of Nevada in and for Carson City, 885 East Musser Street, Suite 3031, Carson City, Nevada 89701. The Stipulation is also available for viewing on the websites of Robbins Umeda LLP at <http://www.robbinsumeda.com/notices.html> and China Green at <http://www.cgagri.com>.

1 As explained below, the Court will hold a Settlement Hearing on _____, 2012 at
2 _____: _____m., before the Honorable James T. Russell, located at 885 East Musser Street, Suite 3031,
3 Carson City, Nevada 89701, to determine whether to approve the Settlement. You have the right
4 to object to the Settlement in the manner provided herein. If you fail to object in the manner
5 provided herein *at least fourteen calendar days prior to the Settlement Hearing*, you will be
6 deemed to have waived your objections and will be bound by the Final Order and Judgment to be
7 entered and the releases to be given, unless otherwise ordered by the Court.

8 This Notice is not intended to be an expression of any opinion by the Court with respect to the
9 merits of the claims made in the Actions, but is merely to advise you of the pendency and Settlement
10 of the Actions.

11 **I. THE ACTIONS**

12 The Actions are brought by Plaintiffs solely on behalf of and for the benefit of China Green
13 and against the Individual Defendants and Kabani & Company, Inc., the Company's auditor.
14 Plaintiffs generally allege, among other things, that the Individual Defendants breached their
15 fiduciary duties of due care, loyalty, and good faith to the Company in connection with certain
16 alleged improper statements regarding aspects of the Company's financial operations and results,
17 which raised significant concerns about the Company's future business prospects.

18 **II. TERMS OF THE SETTLEMENT**

19 The terms and conditions of the proposed Settlement are set forth in the Stipulation
20 described above. The following is only a summary of its terms.

21 In consideration for the Settlement, China Green has agreed to adopt significant Corporate
22 Governance Reforms designed to strengthen the Company's internal controls. China Green and
23 the Individual Defendants acknowledge and agree that the filing, prosecution, and Settlement of
24 the Actions were a substantial material factor behind the Company's decision to implement these
25 corporate governance measures. China Green and the Individual Defendants further acknowledge
26 and agree that the corporate governance measures are significant and extensive and confer
27 substantial benefits upon China Green and its shareholders by, among other things, helping to
28 improve the corporate governance, internal controls, and disclosure procedures at the Company.

1 For example, the Corporate Governance Reforms set forth policies and procedures that are
2 designed to strengthen, among other things, the Company's internal controls concerning its public
3 disclosures. In particular, as a result of the Actions, the Company has implemented a Disclosure
4 Task Force to review U.S. Securities and Exchange Commission (the "SEC") filings. In addition,
5 the Company has engaged an independent CPA firm, Pickard & Green, to evaluate and implement
6 improvements on the Company's systems on SEC reporting for 2011, and if necessary and
7 appropriate, will extend the engagement for an additional year. Further, as a result of the Actions
8 and the engagement of Pickard & Green, China Green will improve its reporting protocols,
9 archiving of documents, financial consolidation process and procedures, and training of personnel
10 in connection with quarterly financial rollup, reporting, and disclosure. The reforms also require
11 that the Company adopt certain policies designed to ensure that China Green's directors stay
12 abreast of developments in legal standards related to corporate governance, disclosure obligations,
13 and industry specific issues.

14 China Green's Board of Directors has approved the Corporate Governance Reforms and,
15 subject to the Court's approval of the settlement, to cause the Company to adopt and to maintain
16 such reforms for a period of not less than five years from the date the respective Corporate
17 Governance Reforms are adopted.

18 This Notice provides a summary of some, but not all, of the Corporate Governance
19 Reforms that China Green has agreed to adopt as consideration for the Settlement. For a list of all
20 of the Corporate Governance Reforms, please see Exhibit A attached to the Stipulation.

21 **III. DISMISSAL AND RELEASES**

22 The Settlement is conditioned, among other things, upon: (i) entry of an order by the Court
23 approving the Settlement and dismissing the State Action with prejudice; and (ii) entry of an order
24 by the U.S. District Court for the District of Nevada dismissing the Federal Action with prejudice.
25 The Settlement will not become effective until such dismissals have been entered and have
26 become final and non-appealable (the "Effective Date").

27 Upon the Effective Date, China Green, Plaintiffs, and Current China Green Shareholders
28 shall be deemed to have, and by operation of the Judgment shall have, fully, finally, and forever

1 released, relinquished, and discharged all claims, debts, demands, rights, or causes of action or
2 liabilities, including Unknown Claims, existing derivatively on behalf of China Green against the
3 Defendants and each of their respective past or present subsidiaries, parents, successors and
4 predecessors, insurers, officers, directors, agents, employees, attorneys, advisors, investment
5 advisors, auditors, accountants, and any firm, trust, corporation, officer, director, or other
6 individual or entity in which any Individual Defendant, China Green, or Kabani has a controlling
7 interest, and the legal representatives, heirs, successors in interest, or assigns of any Defendant (the
8 "Released Persons"), that have been asserted or could have been asserted by China Green or by
9 China Green's shareholders suing derivatively on behalf of China Green against the Released
10 Persons: (i) in the Actions;; (ii) based on or related to the facts, transactions, events, occurrences,
11 acts, disclosures, statements, omissions or failures to act relating to the Company's disclosures at
12 issue in the Actions, including all matters alleged in any of the complaints filed in the Actions, and
13 that could have been alleged in the complaints up to and including the date of this Stipulation, and
14 or (iii) the Settlement, except for any claims to enforce the terms of the Settlement (the "Released
15 Claims").

16 Further, upon the Effective Date, each of the Released Persons shall be deemed to have,
17 and by operation of the Judgment shall have, fully, finally, and forever released, relinquished, and
18 discharged any and all claims, debts, rights, or causes of action or liabilities, including Unknown
19 Claims, that could be asserted in any forum by the Released Persons or their successors and
20 assigns or their subrogates, against Plaintiffs and Plaintiffs' Counsel that arise out of or relate in
21 any way to the institution, prosecution, or settlement of the Actions (except for any claims to
22 enforce the Settlement). Further, upon the Effective date, Kabani shall be deemed to have, and by
23 operation of the Judgment shall have, fully, finally, and forever settled, released, discharged, and
24 extinguished any and all claims, including Unknown Claims, against China Green, the Individual
25 Defendants, and their Related Persons, including but not limited to claims for indemnification,
26 contribution, or breach of contract, except this does not include any outstanding fees for prior audit
27 work; provided, however, that such release shall not affect any claims to enforce the terms of this
28 Stipulation or the Settlement.

1 **IV. PLAINTIFFS' CLAIMS AND THE BENEFITS OF SETTLEMENT**

2 Plaintiffs believe the Actions have substantial merit. Nonetheless, Plaintiffs and Plaintiffs'
3 Counsel recognize and acknowledge the significant risk, expense, and length of continued
4 proceedings necessary to prosecute the Actions against the Individual Defendants through trial and
5 possible appeals. Plaintiffs' Counsel also have taken into account the uncertain outcome and the
6 risks of any litigation, especially in complex cases such as the Actions, including the difficulties
7 and delays inherent in such litigation. Plaintiffs' Counsel also are mindful of the inherent problems
8 of proof and possible defenses to the claims alleged in such actions. Plaintiffs' Counsel have
9 conducted a thorough review and analysis of the relevant facts, allegations, defenses, and
10 controlling legal principles, and believe that the Settlement set forth in the Stipulation is fair,
11 reasonable, and adequate, and confers substantial benefits upon China Green and its shareholders.
12 Based upon Plaintiffs' Counsel's evaluation, Plaintiffs have determined that the Settlement is in the
13 best interests of China Green and have agreed to settle the Actions upon the terms and subject to
14 the conditions set forth in the Stipulation.

15 **V. DEFENDANTS' DENIALS OF WRONGDOING AND LIABILITY**

16 The Individual Defendants have denied and continue to deny they have committed,
17 threatened, or attempted to commit, any violations of law or breached any duty owed to Plaintiffs,
18 China Green, or its shareholders. Without admitting the validity of any allegations made in the
19 Actions, or any liability with respect thereto, the Individual Defendants have concluded that it is
20 desirable that the claims against them be settled on the terms reflected in the Stipulation. The
21 Individual Defendants and China Green are entering into this Settlement because it will eliminate
22 the uncertainty, distraction, disruption, burden, risk, and expense of further litigation. Further, the
23 Individual Defendants and China Green acknowledge that the Settlement is fair, reasonable,
24 adequate, and in the best interests of China Green and its shareholders. The Individual Defendants
25 and China Green also acknowledge and agree that the corporate governance measures to be
26 implemented directly as a result of the Settlement are significant and extensive and confer
27 substantial benefits upon China Green and its shareholders by further improving the corporate
28 governance, internal controls, and disclosure procedures at the Company. Kabani also denied and

1 continues to deny any wrongdoing, negligence, error, or omission on its part related to the auditing
2 or accounting services provided to China Green.

3 Neither the Stipulation, nor any of its terms or provisions, nor entry of the Judgment, nor
4 any document or exhibit referred or attached to the Stipulation, nor any action taken to carry out
5 the Stipulation, is, may be construed as, or may be used as evidence of the validity of any of the
6 Released Claims or an admission by or against China Green, the Individual Defendants, or Kabani
7 of any fault, wrongdoing, or concession of liability whatsoever.

8 **VI. PLAINTIFFS' ATTORNEYS' FEES AND EXPENSES**

9 After negotiating the substantive terms of the Settlement, and in recognition of the
10 substantial benefits conferred on China Green as a direct result of the prosecution and Settlement
11 of the actions, and subject to Court approval, the Settling Parties reached an agreement as to a fair
12 and reasonable sum to be paid for Plaintiffs' attorneys' fees and expenses. China Green and Kabani
13 shall pay, or cause to be paid, to Plaintiffs' Counsel the agreed-to-amount of \$650,000 for
14 attorneys' fees and expenses (the "Fee Amount"). Plaintiffs' Co-Lead Counsel shall request
15 approval by the Court of the Fee Amount at the Settlement Hearing. To date, Plaintiffs' Counsel
16 have neither received any payment for their services in conducting the Actions, nor have Plaintiffs'
17 Counsel been reimbursed for their out-of-pocket litigation expenses incurred. Plaintiffs' Co-Lead
18 Counsel believe that the Fee Amount is within the range of fees and expenses awarded to Plaintiffs'
19 Counsel under similar circumstances in litigation of this type.

20 **VII. THE SETTLEMENT HEARING AND YOUR RIGHT TO BE HEARD**

21 The Settlement Hearing will be held before the Honorable James T. Russell of the Court on
22 _____, 2012 at __:__.m., located at 885 East Musser Street, Suite 3031, Carson City,
23 Nevada, 89701. The Settlement Hearing may be continued by the Court at the Settlement Hearing,
24 or at any adjourned session thereof without further notice.

25 Any Current China Green Shareholder may object and/or appear and show cause, if he,
26 she, or it has any concern, why the Settlement should not be approved as fair, reasonable, and
27 adequate, or why the Final Order and Judgment should not be entered thereon, or why the Fee
28 Amount should not be finally approved; provided, however, unless otherwise ordered by the

1 Court, no Current China Green Shareholder shall be heard or entitled to contest the approval of the
2 terms and conditions of the Settlement, or, if approved, the Final Order and Judgment to be entered
3 thereon approving the same, or the Fee Amount, unless that shareholder has, *at least fourteen*
4 *calendar days prior to the Settlement Hearing*: (1) file with the Clerk of the Court a written
5 objection to the Settlement setting forth: (a) the nature of the objection; (b) proof of ownership of
6 China Green common stock through the date of the Settlement Hearing, including the number of
7 shares of China Green common stock and the date of purchase; and (c) any documentation in
8 support of such objection; and (2) if a Current China Green Shareholder intends to appear and
9 requests to be heard at the Settlement Hearing, such shareholder must have, in addition to the
10 requirements of (1) above, filed with the Clerk of the Court: (a) a written notice of such
11 shareholder's intention to appear; (b) a statement that indicates the basis for such appearance; and
12 (c) the identities of any witnesses the shareholder intends to call at the Settlement Hearing and a
13 statement as to the subjects of their testimony. If a Current China Green Shareholder files a written
14 objection and/or written notice of intent to appear, such shareholder must also simultaneously
15 serve copies of such notice, proof, statement, and documentation, together with copies of any other
16 papers or briefs such shareholder files with the Court (either by hand delivery or by first class mail)
17 upon each of the following:

18 ROBBINS UMEDA LLP
19 Attn: Kevin A. Seely, Esq.
20 600 B Street, Suite 1900
San Diego, CA 92101

21 THE WEISER LAW FIRM, P.C.
22 Attn: Robert B. Weiser, Esq.
121 N. Wayne Avenue, Suite 100
Wayne, PA 19087

23 *Co-Lead Counsel for Plaintiffs*

24 SIDLEY AUSTIN LLP
25 Attn: Sara B. Brody, Esq.
555 California Street
26 San Francisco, CA 94104

27 *Counsel for China Green and the Individual Defendants*

28

1 LeCLAIRRYAN
2 Attn: Jennifer Sarvadi, Esq.
3 2318 Mill Road, Suite 1100
4 Alexandria, VA 22314

5 *Counsel for Kabani & Company, Inc.*

6 Unless the Court otherwise directs, you shall not be entitled to object to the approval of the
7 Settlement, to the Fee Amount, or to otherwise be heard, except by serving and filing a written
8 objection and supporting papers and documents as prescribed above. *If you fail to object in the*
9 *manner and within the time prescribed above you shall be deemed to have waived your right to*
10 *object (including the right to appeal) and shall forever be barred, in this proceeding or in any*
11 *other proceeding, from raising such objection(s).*

12 **VIII. CONDITIONS FOR SETTLEMENT**

13 The Settlement is conditioned upon the occurrence of certain events described in the
14 Stipulation, which requires, among other things: (i) approval of the Settlement; (ii) dismissal of the
15 Actions with prejudice; and (iii) expiration of the time to appeal from, or alter or amend, the
16 Judgment. If, for any reason, any one of the conditions described in the Stipulation is not met and
17 the entry of the Judgment does not occur, the Stipulation might be terminated and, if terminated,
18 will become null and void; and the parties to the Stipulation will be restored to their respective
19 positions as of the execution date of the Stipulation.

20 **IX. EXAMINATION OF PAPERS AND INQUIRIES**

21 There is additional information concerning the Settlement available in the Stipulation,
22 which may be inspected during business hours at the office of the Clerk of the Court and viewed on
23 the websites of China Green at www.cgagri.com and Robbins Umeda LLP at
24 <http://www.robbinsumeda.com/notices.html>.

25 For more information concerning the Settlement, you may also call or write to: Robbins
26 Umeda LLP, c/o Lauren G. Levi, Client Relations, 600 B Street, Suite 1900, San Diego, California
27 92101, Telephone: (619) 525-3990.

28 **PLEASE DO NOT TELEPHONE THE COURT OR CHINA GREEN
REGARDING THIS NOTICE.**

STATE OF TEXAS
COUNTY OF DALLAS

NOTARIAL PUBLIC

I, the undersigned, do hereby certify that the foregoing is a true and correct copy of the original instrument filed for record in my office on this day of _____, 20__.

Notary Public in and for the State of Texas
My Commission Expires _____

Witness my hand and the seal of my office this _____ day of _____, 20__.

Notary Public in and for the State of Texas
My Commission Expires _____

NOTARIAL PUBLIC

I, the undersigned, do hereby certify that the foregoing is a true and correct copy of the original instrument filed for record in my office on this day of _____, 20__.

Notary Public in and for the State of Texas
My Commission Expires _____

Witness my hand and the seal of my office this _____ day of _____, 20__.

EXHIBIT E

STATE OF TEXAS

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

IN THE FIRST JUDICIAL DISTRICT COURT OF THE STATE OF NEVADA
IN AND FOR CARSON CITY

IN RE CHINA GREEN AGRICULTURE, INC. DERIVATIVE SHAREHOLDER LITIGATION	)	Lead Case No. 10 OC 00563 1B
	)	(Consolidated with Case Nos. 11 OC 00208 1B and 11 OC 00202 1B)
This Document Relates To:)	
ALL ACTIONS	)	Dept. No. I
	)	[PROPOSED] FINAL ORDER AND JUDGMENT
	)	EXHIBIT E
)	
)	

1 This matter came before the Court for hearing, pursuant to the Preliminary Approval
2 Order¹ of this Court dated _____, 2012, on the application of the Parties for approval of
3 the Settlement set forth in the Stipulation, and due and adequate notice having been given to
4 Current China Green Shareholders as required in the Preliminary Approval Order, and the Court
5 having considered all papers filed and proceedings had herein and otherwise being fully
6 informed in the premises and good cause appearing therefore, IT IS HEREBY ORDERED,
7 ADJUDGED, AND DECREED that:

8 1. This Court has jurisdiction over the subject matter of the State Action and over all
9 parties to the State Action.

10 2. This Judgment incorporates and makes a part hereof: (i) the Stipulation; and
11 (ii) the Court-approved Notice which was filed with the Court as Exhibit B to the Stipulation.

12 3. The Summary Notice of Pendency and Proposed Settlement of Shareholder
13 Derivative Actions ("Summary Notice") and the Notice of Pendency and Proposed Settlement of
14 Shareholder Derivative Actions ("Notice") provided the best notice practicable under the
15 circumstances. The Notice provided due and adequate notice of the Actions and of the matters
16 set forth in the Stipulation, including the Settlement, to all Persons entitled to such notices, and
17 the Notice fully satisfied the requirements of Nevada law and process, and any other applicable
18 law, statute, or rule.

19 4. The Court finds the Settlement is in all respects fair, reasonable, and adequate
20 with respect to China Green, and directs that the Settlement be consummated in accordance with
21 the terms and conditions set forth in the Stipulation, and hereby approves the Settlement as set
22 forth in the Stipulation.

23
24
25

26 ¹ Except as otherwise expressly provided below or as the context otherwise requires, all
27 capitalized terms shall have the same meanings and/or definitions as set forth in the Stipulation
28 of Settlement dated January 10, 2012 (the "Stipulation").

1 5. The Court approves the agreed-to Fee Amount of \$650,000 for the payment of
2 Plaintiffs' attorneys' fees and expenses. Payment of the Fee Amount shall be made in accordance
3 with the terms and subject to the conditions of the Stipulation.

4 6. Upon the Effective Date, Plaintiffs, China Green, and Current China Green
5 Shareholders shall be deemed to have, and by operation of the Judgment shall have, fully,
6 finally, and forever settled, released, discharged, extinguished, and dismissed with prejudice the
7 Released Claims against the Released Persons; provided, however, that such release shall not
8 affect any claims to enforce the terms of the Stipulation or the Settlement.

9 7. Upon the Effective Date, each of the Released Persons shall be deemed to have,
10 and by operation of the Judgment shall have, fully, finally, and forever settled, released,
11 discharged, extinguished, and dismissed with prejudice the Defendants' Released Claims against
12 Plaintiffs and Plaintiffs' Counsel; provided, however, that such release shall not affect any claims
13 to enforce the terms of the Stipulation or the Settlement.

14 8. Upon the Effective Date, Federal Defendant Kabani & Company, Inc. shall be
15 deemed to have, and by operation of the Judgment shall have, fully, finally, and forever settled,
16 released, discharged, extinguished, and dismissed with prejudice any and all claims against
17 China Green; provided, however, that such release shall not affect any claims to enforce the
18 terms of the Stipulation or the Settlement.

19 9. The Court permanently bars and enjoins Plaintiffs, China Green, and Current
20 China Green Shareholders from commencing, prosecuting, instigating or in any way
21 participating in the commencement, prosecution, or instigation of any action asserting any
22 Released Claims, either directly, representatively, derivatively, or in any other capacity, against
23 any Released Person.

24 10. The Released Persons may file the Stipulation and/or the Judgment in any action
25 that may be brought against them in order to support a defense or counterclaim based on
26 principles of *res judicata*, collateral estoppel, release, good-faith settlement, judgment bar or
27 reduction, or any other theory of claim preclusion or issue preclusion or similar defense or
28 counterclaim.

1 11. Without affecting the finality of this Judgment in any way, the Court hereby
2 retains continuing jurisdiction over the State Action and the Parties for: (i) implementation of the
3 Settlement; and (ii) all other proceedings related to the implementation and enforcement of the
4 terms of the Stipulation and/or the Settlement. The time to appeal from this Judgment shall
5 commence upon notice of entry of the Judgment.

6 12. In the event that this Judgment is rendered or declared invalid by a court of
7 competent jurisdiction, such invalidation of such part or portion of the Stipulation should not
8 invalidate the remaining portions thereof, and they shall remain in full force and effect.

9 13. The Court finds that during the course of the State Action the Parties and their
10 respective counsel at all times acted professionally and in compliance with Nevada Rule of Civil
11 Procedure 11, and all other similar statutes or court rules with respect to any claims or defenses
12 in the State Action.

13 14. Without further order of the Court, the Parties may agree to reasonable extensions
14 of time to carry out any of the provisions of the Stipulation.

15 15. The State Action is hereby dismissed as to all Defendants with prejudice, and
16 without fees or costs (except as set forth in the Stipulation and paragraph 6 herein).

17 16. The Court directs immediate entry of the final Judgment by the Clerk of the
18 Court.

* * *

ORDER

IT IS SO ORDERED.

DATED: _____

THE HONORABLE JAMES T. RUSSELL
DISTRICT COURT JUDGE

657825