

**IN THE CHANCERY COURT FOR THE STATE OF TENNESSEE  
FOR THE THIRTIETH JUDICIAL DISTRICT, AT MEMPHIS**

IN RE JERNIGAN CAPITAL, INC.,  
SHAREHOLDER LITIGATION

Lead Case No. CH-20-1472-II

CH-20-1473-2

CLASS ACTION

This Document Relates To:

ALL ACTIONS.

**Entered**  
DEC 16 2024

**ORDER AND FINAL JUDGMENT**

M.B. \_\_\_\_\_

A hearing having been held before this Court on December 13, 2024, pursuant to the Court's Order of Preliminary Approval and for Notice and Scheduling, dated August 22, 2024 (the "Preliminary Approval and Scheduling Order"), upon the Stipulation and Agreement of Compromise, Settlement, and Release, dated August 12, 2024 (the "Stipulation"), which Preliminary Approval and Scheduling Order and Stipulation are incorporated herein by reference, of the above-captioned Action, and the Settlement contemplated thereby, which Stipulation was entered into between Lead Plaintiffs Louis Lane, Mary Pat Forkin Arthur, and Sherry Grosse ("Plaintiffs"),<sup>1</sup> on the one hand, and John A. Good, Mark O. Decker, James Dondero, Howard A. Silver, Harry J. Thie, and Rebecca Owen (collectively, the "Individual Defendants"), and Jernigan Capital, Inc. ("Jernigan" and, together with the Individual Defendants, "Defendants"), on the other hand (with Plaintiffs and Defendants collectively referred to herein as the "Settling Parties"), all by and through their undersigned attorneys; the Chancery Court for Tennessee for the Thirtieth Judicial District in Memphis (the "Court") having determined that notice of said hearing was given to the Settlement Class in accordance with the Preliminary Approval and Scheduling Order and that said notice was adequate and sufficient; the Settling Parties having appeared by their attorneys of record; the attorneys for the respective Settling Parties having been heard in support of the

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<sup>1</sup> Lead (and named) Plaintiff Patrick Forkin passed away during the pendency of this action.

Settlement and an opportunity to be heard having been given to all other persons desiring to be heard as provided in the notice; and the entire matter of the Settlement having been considered by the Court;

IT IS HEREBY ORDERED this 16<sup>th</sup> day of December, 2024, as follows:

1. Unless otherwise defined herein, all defined terms shall have the meanings as set forth in the Stipulation.

2. The Notice of Pendency and Proposed Settlement of Class Action (“Notice”) and the Proof of Claim and Release have been given to the Settlement Class (as defined herein) pursuant to and in the manner directed by the Preliminary Approval and Scheduling Order, proof of the dissemination of the notice has been filed with the Court, and a full opportunity to be heard has been offered to all Settling Parties, the Settlement Class, and Persons in interest. The Notice provided the Settlement Class Members with their right to object to any aspect of the proposed Settlement, exclude themselves from the Settlement Class, and/or appear at the Settlement Hearing. The form and manner of the Notice is hereby determined to have been the best notice practicable under the circumstances and to have been given in full compliance with each of the requirements of Tennessee law, due process, and applicable law, and it is further determined that all Settlement Class Members, except those that properly excluded themselves from the Settlement Class, are bound by the Order and Final Judgment herein.

3. Pursuant to Tenn. R. Civ. P. 23, the Court hereby affirms its finding from the Preliminary Approval and Scheduling Order that, for purposes of settlement only, the prerequisites for a class action have been satisfied in that: (i) the Settlement Class (as defined below) is so numerous that joinder of all members is impracticable (as of November 6, 2020, the Closing Date of the Transaction, there were approximately 22,144,849 shares of Jernigan common stock that comprised the Settlement Class); (ii) there are questions of law and fact common to the Settlement

Class; (iii) Plaintiffs' claims are typical of the claims of the Settlement Class; (iv) Plaintiffs and Plaintiffs' Counsel have fairly and adequately protected the interests of the Settlement Class; (v) the prosecution of separate actions by individual members of the Settlement Class would create a risk of inconsistent and varying adjudications, which would establish incompatible standards of conduct for the Defendants; (vi) as a practical matter, the disposition of this Action will influence the disposition of any pending or future identical cases brought by absent Settlement Class Members; and (vii) there were allegations that the Defendants acted or refused to act on grounds generally applicable to the Settlement Class. Therefore, the requirements of Tennessee law have been satisfied, and the Action has been properly maintained as a class action.

4. The Action is hereby finally certified as an opt-out class action pursuant to Tenn. R. Civ. P. 23.01 and 23.02, and the Settlement Class is defined as: all record holders and beneficial owners of Jernigan common stock, who held such share(s) at any time between August 3, 2020 (the date of the signing of the merger agreement whereby Jernigan would be acquired by affiliates of NexPoint), and November 6, 2020 (the effective time of the closing of the merger), including any and all of their respective successors in interest, trustees, executors, administrators, heirs, assigns or transferees. Excluded from the Settlement Class are: (i) Defendants; (ii) members of the immediate families of each Individual Defendant; (iii) Jernigan's and NexPoint's subsidiaries and affiliates (provided that, for the avoidance of doubt, such subsidiaries and affiliates do not include any Jernigan-sponsored retirement and/or pension plans); (iv) any entity in which any Defendant has a controlling interest; (v) the legal representatives, heirs, successors, administrators, executors, and assigns of each Defendant; and (vi) any Person or entity who properly excludes themselves by filing a valid and timely request for exclusion (collectively the "Excluded Stockholders"). The Excluded Stockholders shall endeavor to provide Plaintiff, within two business days after Final Approval of the Settlement and upon prior reasonable request by Plaintiff:

(i) the names for each of the Excluded Stockholders; (ii) the number of Excluded Shares held by such Excluded Stockholders; (iii) the account information (including financial institution and account numbers where the Excluded Shares were held) for such Excluded Stockholders; and (iv) at the request of Plaintiffs' Counsel, Defendants will use reasonable efforts to provide any other information pertaining to the Excluded Stockholders' holdings in Jernigan necessary and sufficient to permit the Claims Administrator to take appropriate steps to ensure that no Excluded Stockholder inadvertently receives any payment from the Fund. .

5. Administration of the Fund shall be accomplished pursuant to the Plan of Allocation.

6. Plaintiffs are hereby certified as Class representatives, and Plaintiffs' Counsel, Monteverde & Associates PC and Kahn Swick & Foti, LLC, are hereby appointed as Co-Class Counsel for the Settlement Class and Stranch, Jennings & Garvey PLLC is hereby appointed as Liaison Counsel for the Settlement Class.

7. The Settlement is found to be fair, reasonable, adequate, and in the best interests of the Settlement Class, and it is hereby approved pursuant to Tennessee law. The Settling Parties are hereby authorized and directed to comply with and to consummate the Settlement in accordance with its terms and provisions, and the Clerk is directed to enter and docket this Order and Final Judgment in the Action.

8. This Order and Final Judgment, the Stipulation, including its Exhibits, the settlement term sheet, and/or the negotiations leading up to the Stipulation shall not constitute any evidence, presumption, concession, or an admission by any of the Settling Parties, the Released Defendants' Persons, or the Released Plaintiffs' Persons of any fault, liability, or wrongdoing as to any of the facts or claims alleged or asserted in the Action, or any other actions or proceedings, and shall not be interpreted, construed, deemed, invoked, offered, or received in evidence or

otherwise used by any Person in the Action, or in any other action or proceeding, whether civil, criminal, or administrative, except for any litigation or judicial proceeding seeking to enforce or interpret the terms of the Stipulation or the Settlement.

9. The Action is hereby dismissed (i) with prejudice in its entirety as to the Defendants and against Plaintiffs and all Settlement Class Members on the merits, and (ii) without costs (except as specifically provided below).

10. Any and all manner of claims, rights and causes of action, duties, obligations, demands, actions, debts, sums of money, suits, contracts, agreements, promises, damages and liabilities, whether known or unknown, contingent or non-contingent, derivative or direct, or suspected or unsuspected, including any claims arising under federal or state statutory or common law or any other law, rule or regulation, whether foreign or domestic, that have been asserted, could have been asserted, or could be asserted in the future by the Releasing Plaintiffs' Persons against Defendants and/or the Released Defendants' Persons, that arise out of or relate in any way to Plaintiffs' Released Claims (including Unknown Claims), are hereby dismissed with prejudice, barred, settled, and released. This release does not include: (a) claims to enforce the Settlement; (b) any claims by Settlement Class Members that properly seek to opt-out of the Settlement; and/or (c) claims that have been asserted in *In re Jernigan Capital Securities Litigation, Inc.*, No. 1:20-cv-09575 (S.D.N.Y. Nov. 13, 2020) (the "Federal Action"), provided that nothing in the Settlement shall in any way prevent Defendants or their affiliates from taking the position in the Federal Action that any recovery to putative class members in the Federal Action should be reduced or offset by any recovery such putative class members receive in this Action or are eligible to receive as a result of the Settlement of this Action.

11. The Releasing Plaintiffs' Persons are hereby permanently barred and enjoined from asserting, commencing, prosecuting, assisting, instigating, continuing, or in any way participating

in the commencement or prosecution of any action asserting, whether directly, representatively, derivatively, or in any other capacity, any claims that are, or relate in any way to, Plaintiffs' Released Claims (including Unknown Claims) that are released pursuant to this Order and Final Judgment and the Stipulation, against Defendants or any of the Released Defendants' Persons. This release does not include: (a) claims relating to the enforcement of this Settlement; (b) any claims by Settlement Class Members that properly seek to opt-out of the Settlement; and/or (c) claims that have been asserted in the Federal Action, provided that nothing in the Settlement shall in any way prevent Defendants or their affiliates from taking the position in the Federal Action that any recovery to putative class members in the Federal Action should be reduced or offset by any recovery such putative class members receive in this Action or are eligible to receive as a result of the Settlement of this Action.

12. Defendants and Released Defendants' Persons shall be deemed to have, and by operation of this Order and Final Judgment shall have, fully, finally, and forever released, relinquished, settled, extinguished, dismissed with prejudice, and discharged Released Plaintiffs' Persons from any and all claims that have been or could have been asserted in the Action or any forum, which arise out of or relate in any way to the institution, prosecution, settlement, or dismissal of Plaintiffs' Released Claims (including Unknown Claims), or the administration/distribution of the Fund. This release does not include: (a) claims relating to the enforcement of the Settlement; and/or (b) claims that have been asserted in the Federal Action, provided that nothing in the Settlement shall in any way prevent Defendants or their affiliates from taking the position in the Federal Action that any recovery to putative class members in the Federal Action should be reduced or offset by any recovery such putative class members receive in this Action or are eligible to receive as a result of the Settlement of this Action.

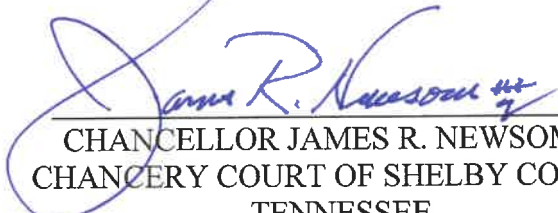
13. Moreover, the Settlement Class shall be deemed to have, and by operation of the Order and Final Judgment shall have, fully, finally, and forever released, relinquished, and discharged Plaintiffs, Plaintiffs' Counsel, and Liaison Counsel from all claims based upon or arising out of the institution, prosecution, assertion, settlement or resolution of Plaintiffs' Released Claims, or the administration/distribution of the Fund, except that this release shall not apply to the rights and obligations created by the Stipulation.

14. Plaintiffs' Counsel are awarded attorneys' fees and reimbursement of expenses in the aggregate amount of \$1,356,030.20, plus any interest on such attorneys' fees and expenses at the same rate and for the same periods as earned by the Fund (until paid), which amount the Court finds to be fair and reasonable, and which shall be paid out of the Fund in accordance with the terms of the Stipulation and per the instructions of the Claims Administrator. Each named plaintiff is hereby each awarded an incentive award in the amount of \$5,000, which amount the Court finds to be fair and reasonable, and which shall be paid out of the Fund in accordance with the terms of the Stipulation and per the instructions of the Claims Administrator.

15. Without affecting the finality of this Order and Final Judgment in any way, this Court reserves jurisdiction over all matters necessary to effectuate the Settlement and its administration/distribution.

16. Court Costs shall be taxed to Plaintiff and paid out of the fund.

Dated: December 16, 2024

  
CHANCELLOR JAMES R. NEWSOM III  
CHANCERY COURT OF SHELBY COUNTY  
TENNESSEE  
SPECIAL JUDGE

## CERTIFICATE OF SERVICE

I hereby certify that a true and exact copy of the foregoing *Order and Final Judgment* has been served via U.S. Mail, hand-delivery and/or electronic mail on the 16<sup>th</sup> day of December 2024, on the following:

J. Gerard Stranch, IV  
**STRANCH, JENNINGS & GARVEY PLLC**  
The Freedom Center  
223 Rosa L. Parks Avenue, Suite 200  
Nashville, TN 37203  
[gstranch@stranchlaw.com](mailto:gstranch@stranchlaw.com)

Juan E. Monteverde  
**MONTEVERDE & ASSOCIATES PC**  
The Empire State Building  
350 Fifth Avenue, Suite 4740  
New York, NY 10118  
[jmonteverde@monteverdelaw.com](mailto:jmonteverde@monteverdelaw.com)

Britt K. Latham  
Jonathan Nelson  
**BASS, BERRY & SIMS PLC**  
150 Third Avenue South, Suite 2800  
Nashville, TN 37201  
Email: [blatham@bassberry.com](mailto:blatham@bassberry.com)  
Email: [JENelson@bassberry.com](mailto:JENelson@bassberry.com)

Michael J. Palestina  
**KAHN SWICK & FOTI, LLC**  
1100 Poydras Street, Suite 960  
New Orleans, LA 70163  
[michael.palestina@ksfcounsel.com](mailto:michael.palestina@ksfcounsel.com)

James P. Smith III  
Matthew L. DiRisio  
**WINSTON & STRAWN LLP**  
200 Park Avenue  
New York, NY 10166-4193  
Tel.: (212) 294-4633  
Fax: (212) 294-4700  
[jpsmith@winston.com](mailto:jpsmith@winston.com)  
[mdirisio@winston.com](mailto:mdirisio@winston.com)



Deputy Clerk