

UNITED STATES DISTRICT COURT  
DISTRICT OF NEVADA

IN RE SHUFFLE MASTER, INC.  
SECURITIES LITIGATION

Civil Action No. 2:07-cv-00715-KJD-RJJ

**NOTICE OF PROPOSED SETTLEMENT OF  
CLASS ACTION AND HEARING**

**If you purchased or acquired Shuffle Master, Inc. ("Shuffle Master") common stock between and including February 1, 2006 and March 12, 2007, you might be a member of the settlement class in this action entitling you to relief in connection with the settlement of the action.**

*A federal court authorized this Notice. This is not a solicitation from a lawyer.*

- The Court has preliminarily approved the settlement (the "Settlement") of a securities class action brought by investors who allege that the price of Shuffle Master common stock was artificially inflated as a result of false statements, non-disclosures, and fraudulent conduct in violation of the federal securities laws. Defendants have denied and continue to deny these allegations.
- The Settlement is between Plaintiffs City of Tulsa Municipal Employees Retirement Plan and Oklahoma Firefighters Pension and Retirement System (collectively, "Lead Plaintiffs"), on behalf of themselves and the proposed Settlement Class (defined below); and defendants Shuffle Master, Mark Yoseloff (former Chief Executive Officer and Chairman of Shuffle Master) and Richard L. Baldwin (former Chief Financial Officer of Shuffle Master, and collectively with Shuffle Master and Yoseloff "Defendants").
- The Settlement provides that Defendants' insurers will cause \$13,000,000 in insurance proceeds (the "Settlement Amount") to be paid to the Settlement Fund. After payment of costs and expenses, the settlement proceeds will be distributed to investors who are members of the Settlement Class. Based on the estimated number of damaged shares, as determined by Lead Plaintiffs' damages consultant, and assuming all owners of the affected shares elect to participate, the average recovery is \$0.56 per share of Shuffle Master common stock, before deduction of Court-awarded attorneys' fees and expenses.
- The two sides disagree on the merits of the claims and the amount of money, if any, that could have been recovered if the Lead Plaintiffs won at trial.
- The fee agreement between Lead Plaintiffs and their attorneys ("Class Counsel") entitle Class Counsel to request a fee of up to 18% of the Settlement Amount and to request a reimbursement of out of pocket expenses, for which Class Counsel will seek reimbursement of an amount not to exceed \$700,000. If the Court awards these attorneys' fees in full together with reimbursement for expenses, the damaged share recovery will be affected by an estimated amount of \$0.13 per share.
- The Settlement was reached because it provides significant benefits to investors and avoids the costs and risks of continuing the lawsuit against Defendants.
- If you are a member of the Settlement Class and the Settlement is approved, your legal rights will be affected whether you act or not. Read this notice carefully to see what your options are in connection with the Settlement.

YOUR LEGAL RIGHTS AND OPTIONS IN THE SETTLEMENT	
<b>Remain a Member of the Settlement Class (no action required) and be eligible for a Settlement payment (submit Proof of Claim Form by June 3, 2010)</b>	This is the only way to get a Settlement payment. If you wish to remain a member of the Settlement Class and be eligible for a Settlement payment, you must complete the proof of claim form provided with this notice. You must submit the proof of claim form to establish your entitlement to a payment.
<b>Exclude Yourself (by April 20, 2010)</b>	If you exclude yourself, you will not get a Settlement payment.
<b>Object (by April 20, 2010)</b>	If you do not exclude yourself, but you wish to object to any part of the Settlement, you may write to the Court about your objections.
<b>Attend the Hearing (on May 4, 2010)</b>	If you have submitted a written objection to the Settlement to the Court, you may (but do not have to) attend the hearing about the Settlement and speak to the Court about your objections.

- These rights and options -- **and the deadlines to exercise them** -- are explained in this Notice.
- The Court in charge of this case still has to decide whether to approve the Settlement. Payments will be made only if the Court approves the Settlement and that approval is upheld in any appeals. Please be patient.

## WHAT THIS NOTICE CONTAINS

<b>BASIC INFORMATION</b> .....	<b>Page 2</b>
1. Why did I get this Notice?	
2. What is a class action?	
3. What is this lawsuit about?	
4. What should I do if my address changes, or if this notice was sent to the wrong address?	
<b>WHO IS IN THE SETTLEMENT CLASS</b> .....	<b>Page 3</b>
5. How do I know whether I am part of the Settlement?	
6. Are there exceptions to being included?	
7. I am still not sure whether I am included.	
<b>SUMMARY OF THE SETTLEMENT</b> .....	<b>Page 3</b>
8. How and when was the Settlement reached?	
9. What does the Settlement provide?	
10. What are the reasons for the Settlement?	
11. What is the potential outcome of the lawsuit absent the Settlement?	
<b>THE SETTLEMENT BENEFITS - WHAT YOU GET</b> .....	<b>Page 4</b>
12. How much will be distributed to investors?	
13. How much will my payment be?	
<b>HOW TO GET A PAYMENT</b> .....	<b>Page 5</b>
14. What do I have to do to receive a share of the Settlement?	
15. When will I receive my payment?	
16. What am I giving up to get a payment or stay in the Settlement Class?	
<b>EXCLUDING YOURSELF FROM THE SETTLEMENT</b> .....	<b>Page 6</b>
17. What if I want to be excluded from the Settlement?	
18. If I don't exclude myself, can I sue Defendants for the same thing later?	
19. If I exclude myself, can I get money from the Settlement?	
<b>THE LAWYERS REPRESENTING YOU</b> .....	<b>Page 6</b>
20. Do I have a lawyer in the case?	
21. How will the lawyers be paid?	
<b>OBJECTING TO THE SETTLEMENT OR THE ATTORNEYS' FEES</b> .....	<b>Page 7</b>
22. How do I tell the Court if I don't like the Settlement?	
23. What's the difference between objecting and requesting exclusion?	
24. When and where will the Court decide whether to approve the Settlement?	
25. Do I have to come to the hearing?	
26. May I speak at the hearing?	
<b>IF YOU DO NOTHING</b> .....	<b>Page 8</b>
27. What happens if I do nothing at all?	
<b>GETTING MORE INFORMATION</b> .....	<b>Page 8</b>
28. Are there more details about the Settlement?	
29. How do I get more information?	

### **BASIC INFORMATION**

#### **1. Why did I get this Notice?**

You or someone in your family may have purchased or acquired Shuffle Master common stock between and including February 1, 2006 and March 12, 2007. The Court caused this Notice to be sent to you because, if you purchased or acquired those securities during that period, you have a right to know about the proposed Settlement of the class action lawsuit, and about all of your options, before the Court decides whether to approve the Settlement.

This Notice describes the lawsuit, the Settlement, your legal rights, what benefits are available, who is eligible for them, and how to get them.

The Court in charge of this case is the United States District Court for the District of Nevada. The case is known as *In re Shuffle Master, Inc. Securities Litigation*, No. 2:07-cv-00715-KJD-RJJ.

#### **2. What is a class action?**

In a class action, one or more plaintiffs, called Lead Plaintiffs or class representatives, sue on behalf of people who have similar claims. All of the individuals and entities on whose behalf the class representatives are suing are known as Class Members. One court resolves the issues in the case for all Class Members, except for those who choose to exclude themselves from the class if exclusion is permitted by applicable rules of procedure.

### 3. What is this lawsuit about?

This lawsuit (the “Action”) is a class action alleging violations of the federal securities laws by persons affiliated with Shuffle Master. The Court has appointed City of Tulsa Municipal Employees Retirement Plan and Oklahoma Firefighters Pension and Retirement System to serve as Lead Plaintiffs in the Action, and has appointed the law firm of Grant & Eisenhofer P.A. to serve as Class Counsel. The Action was brought against all the Defendants.

The Consolidated Class Action Complaint (the “Complaint”), which was filed in the Action on February 5, 2008 alleged that the Defendants violated the federal securities laws by causing Shuffle Master’s financial statements to falsely overstate its profitability and assets. Specifically, Lead Plaintiffs alleged that Defendants accrued and booked revenue and receivables that were never received and hid Shuffle Master’s deteriorating financial condition from investors.

The Complaint alleges that the Defendants knew that the public documents and statements issued or disseminated in the name of Shuffle Master during the Class Period were materially false and misleading; knew that such statements or documents would be issued or disseminated to the investing public; and knowingly and substantially participated or acquiesced in the issuance or dissemination of such statements or documents as primary violations of the federal securities laws. Defendants’ alleged false and misleading statements caused the price of Shuffle Master common stock to be artificially inflated, causing investors who purchased such securities during the Class Period to suffer damages.

The Complaint asserts claims under Section 10(b) of the Securities Exchange Act of 1934 (“Exchange Act”) against all Defendants; and a claim under Section 20(a) of the Exchange Act against Yoseloff and Baldwin.

While the Court has ruled that certain of Lead Plaintiffs’ claims should not be dismissed at this stage of the litigation, the Court has made no substantive determination on the merits of the claims against any Defendant. Defendants have denied and continue to deny any and all wrongdoing.

### 4. What should I do if my address changes, or if this notice was sent to the wrong address?

If this Notice was sent to you at the wrong address, or if your address changes in the future, please send prompt written notification of your correct address to the Claims Administrator at the following address:

In re Shuffle Master, Inc. Securities Litigation  
c/o Gilardi & Co. LLC  
Claims Administrator  
P.O. Box 8040  
San Rafael, CA 94912-8040

### **WHO IS IN THE SETTLEMENT CLASS**

### 5. How do I know whether I am part of the Settlement?

The Court has certified for purposes of the Settlement a Settlement Class that consists of, subject to certain exceptions identified below, the following individuals and entities:

*All persons and entities who purchased or acquired Shuffle Master, Inc. (“Shuffle Master”) common stock between and including February 1, 2006 and March 12, 2007, and who were damaged thereby.*

### 6. Are there exceptions to being included?

Even if you fall within the Settlement Class definition, you are not a member of the Settlement Class if you are a Defendant in the Action; if you were a partner, executive officer, director, controlling person, subsidiary, or affiliate of Shuffle Master or any Defendant between February 1, 2006 and March 12, 2007; if you are an immediate family member of any Defendant; if you are an entity in which Shuffle Master or any Defendant has a controlling interest; or if you are a legal representative, heir, predecessor, successor or assign of any of these excluded persons or entities. You will not be a member of the Class if you file a request for exclusion in accordance with the requirements set forth in this notice.

### 7. I am still not sure whether I am included.

If you are still not sure whether you are included, you can ask for help, which will be provided to you at no cost. You can call the Claims Administrator toll free at 1-877-234-7391, or write to the Claims Administrator at the address stated in the answer to Question #4 above.

### **SUMMARY OF SETTLEMENT**

### 8. How and when was the Settlement reached?

Lead Plaintiffs reached an agreement-in-principle with Defendants regarding the Settlement in October 2009. On January 31, 2010, Lead Plaintiffs, and Defendants signed a Class Action Stipulation of Settlement (the “Settlement Agreement”) to formalize their agreement.

The Settlement was reached after arm’s-length negotiations between Class Counsel and counsel for the Defendants, and only after Class Counsel had (i) obtained access to, and reviewed, certain documents pertinent to the Class’s claims

and Defendants' defenses to those claims; (ii) investigated and analyzed all available evidence; and (iii) researched the applicable law with respect to the Class's claims against Defendants and the potential defenses thereto.

#### **9. What does the Settlement provide?**

In the Settlement, Defendants' insurers will cause \$13,000,000 to be paid into a Settlement Fund out of insurance proceeds that are available to them (the "Settlement Amount").

The Settlement shall become effective when and if each of the following conditions is met: (a) the Court has entered a final judgment approving the Settlement; (b) any appeals from that judgment have been finally resolved, or the time has expired in which to file such appeals; and (c) the Settlement Amount pertaining to the Settlement has been paid in full.

If the Settlement is approved by the Court, all members of the Settlement Class will be deemed to have released all claims against the Defendants and certain other Released Persons arising out of or relating to any acts, facts, statements or omissions that were or could have been asserted in the Action by the Lead Plaintiffs or any other member of the Class against any of the Released Parties in connection with the purchase or acquisition of Shuffle Master stock between February 1, 2006 and March 12, 2007. This means that all Settlement Class Members will be permanently barred from asserting any of the claims described above against Defendants and others. In addition, Defendants will be precluded from suing the Lead Plaintiffs, members of the Settlement Class, or Class Counsel in connection with the Action.

#### **10. What are the reasons for the Settlement?**

Lead Plaintiffs agreed to the Settlement because of the monetary benefit it will provide to the Class, compared to the risk that recovery might not be achieved after a contested period of litigation which could extend years into the future. As with any litigated case, Lead Plaintiffs would face an uncertain outcome if the case went to trial. Even if Lead Plaintiffs were successful at trial, the insurance proceeds available to Defendants might be dissipated or Defendants might be bankrupt or otherwise unable to pay any judgment at that time. Alternatively, Defendants might well appeal the verdict, resulting in further uncertainty and delay.

While Defendants have denied and continue to deny the claims made in the Action, Defendants agreed to the Settlement to settle and terminate all existing or potential claims against them, to eliminate the risk of substantial judgments against them, and to avoid the burden and expense of further litigation, without acknowledging any fault or liability.

#### **11. What is the potential outcome of the lawsuit absent the Settlement?**

Lead Plaintiffs and Defendants do not agree on the average amount of damages per share that would have been recoverable from Defendants if Lead Plaintiffs were to have prevailed on each claim asserted. The issues on which the parties disagree include: (1) whether Defendants engaged in conduct that would give rise to liability under the federal securities laws; (2) whether Defendants acted with scienter with respect to the conduct alleged to constitute a violation of Section 10(b) of the Exchange Act; (3) whether Defendants have valid defenses to any of the claims against them; and (4) the amount, if any, by which the price of Shuffle Master's common stock was artificially inflated as a result of Defendants' alleged violations of the federal securities laws.

### **THE SETTLEMENT BENEFITS – WHAT YOU GET**

#### **12. How much will be distributed to investors?**

The Settlement will create a cash settlement fund in the aggregate principal amount of \$13,000,000. After deduction of the costs of notice and administration, certain taxes and tax-related expenses, and any attorneys' fees and costs that are approved by the Court, the balance of the settlement fund, plus accrued interest, will be available for distribution to members of the Settlement Class (the "Net Settlement Amount"). Class Counsel will request attorneys' fees not to exceed 18% of the Settlement Amount and the reimbursement of out of pocket costs.

#### **13. How much will my payment be?**

The amounts to be distributed to individual Settlement Class Members will depend on a variety of factors, including: the number of other Settlement Class Members who submit valid proof of claim forms; the number of shares of stock you purchased; the prices and dates of those purchases; and the prices and dates of any sales of your stock. Depending upon the timing of your transactions, you may be entitled to recover for all, none, or only some of the claims asserted in the Complaint.

The proposed Plan of Allocation reflects Lead Plaintiffs' allegations that the price of Shuffle Master common stock decreased upon the revelations of Defendants' alleged misrepresentations and omissions, and that these price decreases reflected the elimination of the artificial inflation that the Defendants' alleged misrepresentations and omissions may have caused.

#### **Plan of Allocation**

For shares of Shuffle Master, Inc. common stock ("SHFL") purchased between February 1, 2006 and February 26, 2007 inclusive and held through the close of trading on February 26, 2007, and sold February 27, 2007 to March 12, 2007 inclusive, the "Recognized Loss" shall be the lesser of 1) price paid minus \$21.02 or 2) \$3.57.

For shares of SHFL purchased between February 1, 2006 and February 26, 2007 inclusive and held through the close of trading on March 12, 2007, and sold on or before June 10, 2007, the Recognized Loss shall be the lesser of 1) price paid less the average closing price of SHFL from March 13, 2007 until the date of sale or 2) price paid minus \$17.81 or 3) \$5.13.

For shares of SHFL purchased between February 1, 2006 and February 26, 2007 inclusive and held through the close of trading on March 12, 2007, and not sold on or before June 10, 2007, the Recognized Loss shall be the lesser of 1) price paid minus \$17.83 or 2) \$5.13.

For shares of SHFL purchased between February 27, 2007 to March 12, 2007 inclusive, and held through the close of trading on March 12, 2007, and sold on or before June 10, 2007, the Recognized Loss shall be the lesser of 1) price paid less the average closing price of SHFL from March 13, 2007 until the date of sale or 2) price paid less \$17.81 or 3) \$1.56.

For shares of SHFL purchased between February 27, 2007 to March 12, 2007 inclusive, and held through the close of trading on March 12, 2007, and not sold on or before June 10, 2007 the Recognized Loss shall be the lesser of 1) price paid minus \$17.83 or 2) \$1.56.<sup>1</sup>

No Recognized Loss shall be allowed for any shares of Shuffle Master common stock sold for a gain. In processing claims, the first in, first out (FIFO) method will be used. This means that sales of Shuffle Master common stock will first be matched with any pre-Class Period holdings and then with purchases during the Class Period in chronological order.

A person or entity who sold Shuffle Master common stock "short" shall have no Recognized Loss with respect to any purchase during the Class Period to cover such short sale.

A purchase or sale of Shuffle Master common stock shall be deemed to have occurred on the "contract" or "trade" date as opposed to the "settlement" or "payment" date. Shares of Shuffle Master acquired during the Class Period by means of a gift, inheritance, or operation of law do not qualify as the purchase of such shares on the date of such acquisition. If, however, such securities were purchased during the Class Period by the donor, decedent, or transferor, then as long as the original purchaser does not submit a Proof of Claim with respect to the shares, recipients will be allowed to participate in the Settlement and their claims will be computed by using the price of such stock on the original date of purchase.

Each Authorized Claimant shall be paid the percentage that each Authorized Claimant's Recognized Loss bears to the total Recognized Losses of all Authorized Claimants. However, no distribution will be made to any Class Member who would receive \$10.00 or less. The Court has reserved jurisdiction to allow, disallow, or adjust the claim of any Class Member on equitable grounds. Payment pursuant to the Plan of Allocation is conclusive against all Authorized Claimants.

Distributions will be made to Authorized Claimants after all claims have been processed and after the Court has finally approved the Settlement. If any funds remain in the Net Settlement Fund by reason of uncashed checks, or otherwise, after the Claims Administrator has made reasonable and diligent efforts to have Authorized Claimants who are entitled to participate in the distribution of the Net Settlement Fund cash their distribution checks, then any balance remaining in the Net Settlement Fund six (6) months after the initial distribution of such funds shall be used: (i) first, to pay any amounts mistakenly omitted from the initial distribution to Authorized Claimants or to pay any late, but otherwise valid and fully documented claims received after the cut-off date used to make the initial distribution, which were not previously authorized by the Court to be paid, provided that such distributions to any late post-distribution claimants meet all of the other criteria for inclusion in the initial distribution, including the \$10.00 minimum check amount set out in the Notice, and (ii) second, to pay any additional settlement administration fees and expenses, including those of Class Counsel as may be approved by the Court. Finally, any balance remaining in the Net Settlement Fund one (1) year after the initial distribution of such funds shall be re-distributed to Class Members who have cashed their initial distributions and who would receive at least \$25.00 from such re-distribution, after payment of any unpaid costs or fees incurred in administering the Net Settlement Fund for such re-distribution. If six (6) months after such re-distribution any funds shall remain in the Net Settlement Fund, then such balance shall be contributed to non-sectarian, not-for-profit, 501(c)(3) organization(s) designated by Class Counsel.

## **HOW TO GET A PAYMENT**

### **14. What do I have to do to receive a share of the Settlement?**

If you are a member of the Settlement Class, you will have to submit a proof of claim form and supporting documentation in order to establish your entitlement to share in the Settlement. Those who act to exclude themselves from the Settlement Class, and those who fail to submit timely and valid proof of claim forms with adequate supporting documentation, will not be entitled to share in the Settlement.

The proof of claim form, and instructions on how to complete and submit it, are enclosed herewith. To obtain additional copies of the proof of claim form, you may write to the Claims Administrator at the following address: In re Shuffle Master, Inc. Securities Litigation, c/o Gilardi & Co. LLC., Claims Administrator, P.O. Box 8040, San Rafael, CA 94912-8040 or calling tolling free at 1-877-234-7391.

<sup>1</sup> \$1.56 is the amount of the drop in the share price of SHFL from March 12, 2007 to March 13, 2007.

\$3.57 is the amount of the drop in the share price of SHFL from February 26, 2007 to February 27, 2007

\$5.13 is the sum of the drop in the share price of SHFL from February 26, 2007 to February 27, 2007 plus the drop in the share price of SHFL from March 12, 2007 to March 13, 2007.

\$17.81 is the closing price of SHFL on March 13, 2007.

\$17.83 is the average closing price of SHFL during the ninety calendar days after the end of the Class Period.

\$21.02 is the closing price of SHFL on February 27, 2007.

Please submit copies of all records of your ownership of, or transactions in, Shuffle Master stock, as they will be needed to document your claim.

#### 15. When will I receive my payment?

Distribution may be delayed in the interest of the Settlement Class in order to minimize the number and cost of distributions.

Any settlement payments are also contingent upon the Court approving the Settlement and on such approval becoming final and no longer subject to any appeals. Even if the Court approves the Settlement, there still might be appeals, which can take more than a year to resolve.

The Net Settlement Amount will be kept in an interest-bearing account until it is ready for distribution, and the accrued interest will be added to the principal that will be distributed to the Settlement Class.

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

If you remain a member of the Settlement Class and do not exclude yourself, you will be bound by all orders, judgments and releases entered by the Court regarding the Settlement. If the Settlement is approved, you will not be able to sue, continue to sue, or be part of any other lawsuit involving any claims released in the Settlements. You will be bound by the releases whether or not you submit a proof of claim and/or receive a payment under the Settlement.

#### **EXCLUDING YOURSELF FROM THE SETTLEMENT**

#### 17. What if I want to be excluded from the Settlement?

To exclude yourself from the Settlement, you must send a letter by mail to the Claims Administrator saying that you want to be excluded from *In re Shuffle Master, Inc. Securities Litigation*. Be sure to include your name, address, telephone number; your Social Security Number or Taxpayer Identification Number; a list stating the number of shares of Shuffle Master common stock purchased and sold between February 1, 2006 and March 12, 2007, and the dates of each purchase and sale; as well as your signature. Mail your exclusion request postmarked no later than April 20, 2010, to:

In re Shuffle Master, Inc. Securities Litigation  
c/o Gilardi & Co. LLC  
Claims Administrator  
P.O. Box 8040  
San Rafael, CA 94912-8040

If you request exclusion on behalf of any person or entity other than yourself (such as, for example, a trust, a minor, or a pension fund), you also must state the basis of your legal authority to make a request for exclusion on behalf of that person or entity.

You cannot exclude yourself on the phone or by e-mail. If you do not follow the above procedures – including meeting the postmark deadline – you will not be excluded from the Settlement Class, and you will be bound by all of the orders and judgments entered by the Court regarding the Settlement. You must exclude yourself even if you already have a pending case against any of the Defendants based on the claims being released.

If you ask to be excluded, you will not get any payment from the Settlement, you cannot object to the Settlement, and you will not be legally bound by anything that happens in this lawsuit. You might be able to sue Defendants in the future.

#### 18. If I don't exclude myself, can I sue Defendants for the same thing later?

No. Unless you exclude yourself, you give up any right to sue Defendants for the claims that the Settlement resolves. If you have a pending lawsuit, speak to your lawyer in that case immediately. You must exclude yourself from *this* Settlement Class to continue your own lawsuit.

#### 19. If I exclude myself, can I get money from the Settlement?

No. Only Settlement Class Members who do not exclude themselves will be eligible to recover money in the Settlement.

#### **THE LAWYERS REPRESENTING YOU**

#### 20. Do I have a lawyer in this case?

The Court has appointed the law firm of Grant & Eisenhofer P.A. as Class Counsel to represent Lead Plaintiffs and all other Settlement Class Members in the Action. If you have any questions about the Settlement, you may contact Class Counsel as follows: Ralph N. Sianni, Esq., Grant & Eisenhofer P.A., 1201 North Market St., Wilmington, Delaware 19801, (302) 622-7000. For general questions about the Settlement, you can also call the Claims Administrator toll free at 1-877-234-7391.

If you want to be represented by your own lawyer, you may hire one at your own expense.

#### 21. How will the lawyers be paid?

You will be not charged directly for the fees or expenses of the Class Counsel appointed by the Court. Instead, those lawyers may apply to the Court for payment of fees and expenses out of the proceeds of any recoveries achieved in the Action.

Counsel to apply for fees of up to 18% of any recovery achieved by the Class plus out of pocket expenses. The fees would pay the lawyers for investigating the facts, litigating the case, and negotiating the Settlement.

### **OBJECTING TO THE SETTLEMENT OR THE ATTORNEYS' FEES**

#### **22. How do I tell the Court that I don't like the Settlement?**

If you are a Settlement Class Member and you do not exclude yourself, you can object to the Settlement, including Class Counsel's application for attorneys' fees, and give reasons why you think the Court should not approve them. To object, you must send a letter or other filing saying that you object to the Settlement and/or the attorneys' fee application in *In re Shuffle Master, Inc. Securities Litigation*, No: 2:07-cv-00715-KJD-RJJ. Be sure to include your name, address, telephone number, signature, and the reasons for your objection, as well as a list of your purchases and sales of Shuffle Master common stock made during the Class Period, including the dates, the number of securities purchased or sold, the price(s) paid or received per security for each such purchase or sale, and whether you continue to hold the securities at the time your objection is submitted. Your written objection must be sent to the following counsel and must be received by them no later than April 20, 2010:

#### Counsel for Defendants:

William F. Sullivan  
Paul, Hastings, Janofsky  
& Walker, LLP  
515 South Flower Street  
Twenty-Fifth Floor  
Los Angeles, CA 90071-2228

Peter M. Stone  
Paul, Hastings, Janofsky  
& Walker, LLP  
1117 S. California Avenue  
Palo Alto, CA 94304-1106

#### Class Counsel:

John C. Kairis, Esquire  
GRANT & EISENHOFER P.A.  
1201 N. Market Street  
Wilmington, DE 19801

You must **also** file your objection with the clerk of the United States District Court for the District of Nevada, so it is received no later than April 20, 2010. The address is:

Clerk of the U.S. District Court for the District of Nevada,  
Lloyd D. George United States Courthouse  
333 Las Vegas Blvd. South  
Las Vegas, NV 89101

Once an objection to the proposed Settlement is made, it cannot be withdrawn without the Court's approval. Any member of the Settlement Class who does not object in the manner provided above will be deemed to have waived all objections to the Settlement and to Class Counsel's application for attorneys' fees.

#### **23. What's the difference between objecting and requesting exclusion?**

Objecting is simply telling the Court that you do not like something about the Settlement. You can object only if you are a Settlement Class Member.

Excluding yourself is telling the Court that you do not want to be part of the Settlement Class. If you exclude yourself, you have no basis to object, because the case no longer affects you. If you do not exclude yourself, you will be bound by the Settlement and all orders and judgments entered by the Court regarding the Settlement, regardless of whether the Court accepts or denies your objection.

#### **24. When and where will the Court decide whether to approve the Settlement?**

The Court has scheduled a hearing on the Settlement for May 4, 2010 at 9:00 a.m., before the Honorable Kent J. Dawson in the U.S. District Court for the District of Nevada, Lloyd D. George United States Courthouse, 333 Las Vegas Blvd. South, Las Vegas, NV 89101. At this hearing, the Court will consider whether the Settlement is fair, reasonable, and adequate, and will consider Class Counsel's application for attorneys' fees. If there are objections, the Court will consider them. At or after the hearing, the Court will decide whether to approve the Settlement.

Please note that the date of the Court hearing is subject to change without further notice. If you plan to attend the hearing, you should check with Class Counsel to be sure no change to the date and time of the hearing has been made.

#### **25. Do I have to come to the hearing?**

No. Class Counsel will answer any questions the Court might have. But you are welcome to come at your own expense. If you send an objection, you do not have to come to the Court to talk about it. As long as you mailed your written objection so it was received by the deadline, it will be before the Court when the Court considers whether to approve the Settlement. You may also pay your own lawyer to attend the hearing, but attendance is not necessary.

**26. May I speak at the hearing?**

If you are a Settlement Class Member who has not asked to be excluded from the Settlement Class, you may ask the Court for permission to speak at the hearing. To do so, you must send a letter or other paper called a "Notice of Intention to Appear at Fairness Hearing in *In re Shuffle Master, Inc. Securities Litigation*." Be sure to include your name, address, telephone number, and your signature. Your Notice of Intention to Appear must be filed with the Clerk of the Court and sent to the counsel listed above in the answer to Question #22 so it is received by the Court and counsel no later than April 13, 2010. You cannot speak at the hearing if you have asked to be excluded from the Settlement Class.

**IF YOU DO NOTHING**

**27. What happens if I do nothing at all?**

If you do nothing in response to this Notice, you will remain a member of the Settlement Class and will be bound by the Settlement. You will not be able to start, continue, or be part of any other lawsuit or arbitration against any of the Defendants based on the claims in the Action. To receive a payment from the Settlement, you will have to submit the enclosed proof of claim and supporting documentation, in accordance with instructions to be provided in the proof of claim form.

**GETTING MORE INFORMATION**

**28. Are there more details about the Settlement?**

This Notice contains only a summary of the Settlement. The complete Settlement is set out in a Class Action Stipulation of Settlement dated January 31, 2010. You may request copies of the Class Action Stipulation of Settlement in writing to *In re Shuffle Master, Inc. Securities Litigation*, c/o Gilardi & Co. LLC, Claims Administrator, P.O. Box 8040, San Rafael, CA 94912-8040. There may be a charge for copying and mailing the Class Action Stipulation of Settlement.

**29. How do I get more information?**

You can also call the Claims Administrator toll free at 1-877-234-7391, or write to the Claims Administrator at the above address. Anyone interested in more detail regarding the Action is invited to visit the Office of the Clerk of the United States District Court for the District of Nevada, Lloyd D. George United States Courthouse, 333 Las Vegas Blvd. South, Las Vegas, NV 89101 during regular business hours, to inspect the Class Action Stipulation of Settlement, the pleadings, and the other papers maintained there in Civil Action No. 2:07-cv-00715-KJD-RJJ.

**PLEASE DO NOT TELEPHONE THE COURT REGARDING THIS NOTICE**

**SPECIAL NOTICE TO NOMINEES**

The Court has ordered that if you held any Shuffle Master common stock purchased on or between February 1, 2006 and March 12, 2007 as nominee for a beneficial owner, then, within seven (7) days after you receive this Notice, you must either: (1) send a copy of this Notice by first class mail to all such Persons; or (2) provide a list of the names and addresses of such Persons to the Claims Administrator:

In re Shuffle Master Securities Litigation  
c/o Gilardi & Co. LLC  
Claims Administrator  
P.O. Box 8040  
San Rafael, CA 94912-8040  
1-877-234-7391

If you choose to mail the Notice and Proof of Claim yourself, you may obtain from the Claims Administrator (without cost to you) as many additional copies of these documents as you will need to complete the mailing, and must send the materials out within seven (7) days of receipt.

Regardless of whether you choose to complete the mailing yourself or elect to have the mailing performed for you, you may obtain reimbursement for or advancement of reasonable administrative costs actually incurred or expected to be incurred in connection with forwarding the Notice and which would not have been incurred but for the obligation to forward the Notice, upon submission of appropriate documentation to the Claims Administrator.