UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

IN RE VIVENDI UNIVERSAL, S.A. SECURITIES LITIGATION	C.A. No. 02 Civ. 5571 (PAE)

DECLARATION OF ARTHUR N. ABBEY IN SPPORT OF CLASS PLAINTIFFS' MEMORANDUM OF LAW IN SUPPORT OF MOTION FOR APPROVAL OF SETTLEMENT FOR RELIANCE CLAIMANTS AND FOR REIMBURSEMENT OF ADDITIONAL EXPENSES

Arthur N. Abbey declares under penalty of perjury as follows:

1. I am the senior partner and founder of Abbey Spanier, LLP.

2. On behalf of Plaintiffs, Abbey Spanier has been litigating this class action ("the Action") against Vivendi Universal, S.A. since its filing in August 2002. My firm was appointed co-lead counsel by Judge Baer in November 2002. We have been involved in every aspect of the Action as co-lead counsel and subsequently as sole lead class counsel. We played a primary role in the jury trial of the Action before Judge Holwell in the fall and winter of 2009-2010. Since the completion of the claims process that followed the verdict in favor of the plaintiff class ("the Class") and the post-verdict motions that affirmed the verdict and narrowed the class, we have been litigating challenges by Vivendi to claims that have been approved as to validity and damages by Garden City Group, L.L.P. ("GCG" or "the Claims Administrator").

3. The primary challenge by Vivendi to certain otherwise eligible claims was on the issue of reliance. The Action was tried for the Class based on the presumption of reliance

on a market price inflated by defendants' publicly disseminated material misrepresentations. The jury verdict found that Vivendi's misrepresentations had inflated the market price for Vivendi shares. This presumption was rebuttable but that was not addressed at trial. Rather, it was deferred and Vivendi was given the opportunity, if it so chose, to attempt to rebut the presumption after the claims process had been completed. As described in Plaintiffs' memorandum in support of this motion, Vivendi pursued rebuttal of the presumption in challenges affecting 96 claims submitted by claimants whose purchases of Vivendi ADSs were advised by two investment managers. The 96 claims represented about $79 million of damages after adding pre-judgment interest.

4. After document discovery and deposition of the two chief analysts for the managers, Vivendi made motions for summary judgment in Vivendi's favor dismissing the claims on the ground that the presumption of reliance had been rebutted. In one case, we cross-moved for summary judgment approving the claims. Vivendi prevailed on its motions and the dismissal of the claims was made final in the Court's Rule 58 judgment entered on July 14, 2016. Appeals were commenced thereafter and it became clear that the Action could continue for many more months or years. This led to the commencement of negotiation starting in early December 2016 to attempt to resolve the ongoing dispute on the reliance claims and termination of the 14 year old litigation.

5. These negotiations took place intermittently over the holiday period and into January 2017. The negotiations were conducted personally by me for Plaintiffs and the Class, with James Quinn, who was the senior partner at Weil Gotschal representing Vivendi. We had been adversaries through much of this litigation, including the four month trial. The negotiations were at arm's length. In mid-January we reached an agreement in principle to

resolve all claims and end the Action. The detailed terms of the agreement in principle were subsequently negotiated by my firm and Weil Gotschal, and are set forth in the Stipulation and Agreement of Settlement executed on April 6, 2017 ("the Settlement"), and submitted to the Court for preliminary approval, which was granted on April 12. That order of preliminary approval is annexed to this declaration as Exhibit 1.

6. Notice has been given to the 96 claimants whose disputed claims are being settled ("Reliance Claimants"), as prescribed in the order of preliminary approval. Through today, April 21, no comments or objections have been received. The notice procedure is described in the Declaration of Stephen J. Cirami of GCG, annexed hereto as Exhibit 2 ("Cirami Decl.").

7. The Settlement is an excellent result for the Reliance Claimants. They faced an uphill battle to revive their dismissed claims on appeal, likely involving a petition for certiorari to the Supreme Court on the highly contested and controversial issue of the presumption of reliance. Even if eventually successful on appeal, that would not be the end of the dispute. Reliance Claimant's would almost certainly be remanded to this Court to defend their claims again through what would certainly be vigorously disputed discovery, motion practice and possibly bench or jury trial. The Settlement amount of $26.4 million, given the circumstances, is a remarkable result. It represents approximately a third of the maximum damages, including pre-judgment interest, that could be won at the end of a completely successful effort. It is all the more remarkable because the Reliance Claimants are starting with claims that have already been dismissed, whereas most settlements of this quality are reached before the merits of the claims have been decided by the court. I believe that there are very good arguments to be made to overturn the dismissal of these claims based on rebuttal of what I believe is a strong basis for

such reliance by value investors like the two advisors to the Reliance Claimants. I would like very much to make those arguments to the Second Circuit and the Supreme Court if it came to that. However, continuing this dispute is not justified given the immediate and substantial benefits of the Settlement. The Settlement is more than fair, reasonable and adequate for the Reliance Claimants and indeed for the entire Class.

8. The allocation of the Settlement amount is fair. Each Reliance Claimant will be allocated a pro-rata share of the settlement proceeds based on the proportion that the individual claim damages calculated by the Claims Administrator bears to the total damages for all 96 Reliance Claimants. The court awarded expenses of litigation and administration of the Action and the attorney fee percentage awarded will also be borne pro-rata by all eligible claimants, including those who were awarded damages in the Court's prior Rule 54(b) and Rule 58 judgments.

9. The additional expenses of litigation and claims administration requested, a total of $104,462.06, are reasonable. See the summary headed Additional Expenses of Lead Counsel, annexed hereto as Exhibit 3. The Action has continued for a year since the prior award of expenses in the Court's April 29, 2016 order. That period has seen substantial claims administration issues, ongoing conferences with the Special Master, not to mention the document and deposition discovery prior to the motions on the presumption of reliance. These additional expenses are relatively small. The preponderant part of this request is for the $77,000 estimated cost of the services by GCG (See Cirami Decl., Exh. 2 at ¶8) for administration and distribution of the $78 million total funds, comprising the Settlement amount to go to the 96 Reliance Claimants and the amount of damages awarded to the 1,934 eligible claimants named in the Rule 54(b) and Rule 58 judgments. The request is reasonable

given the tasks performed and to be performed. The approval of the Settlement is not conditioned on approval of additional expenses.

10. The proposed Final Judgment Approving Class Action Settlement of All Remaining Claims ("Final Judgment") is annexed hereto as Exhibit 4.

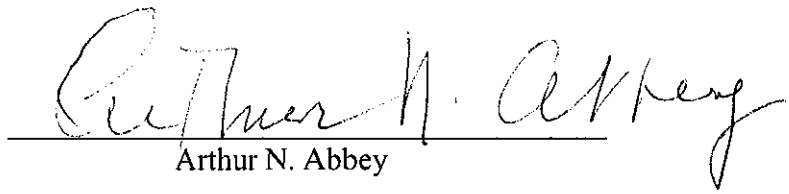
11. Along with the Settlement, the parties have executed a Stipulation and Proposed Order Terminating Action, setting forth, *inter alia*, the steps to be taken, if the Settlement is approved, to complete the distribution of damages and terminate the Action. This Stipulation is annexed hereto as Exhibit 5. I ask that the Court, upon approval of the Settlement and Final Judgment, also consider and sign, if it is satisfactory, the Stipulation and Order Terminating Action.

12. Finally, if as I anticipate, there are no objections to the Settlement, the parties will so inform the Court as soon as reasonable after the April 28 deadline for objection. At that time, the Court has provided in the Preliminary Approval Order for a conference to discuss the Settlement and the proposed Final Judgment. It is my hope that we will be able to finish up expeditiously and finally close this Action.

I respectfully submit that the proposed Settlement is eminently fair, reasonable and adequate to the Reliance Claimants and should be approved. Likewise the expenses requested are reasonable and should also be approved.

I declare under penalty of perjury under the laws of the United States that the foregoing is true and correct.

New York, New York April 21, 2017.



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