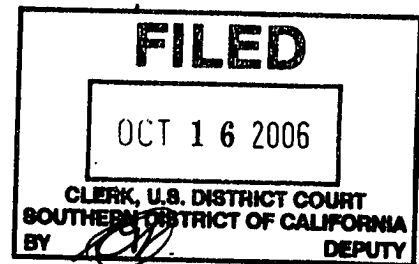


ORIGINAL

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF CALIFORNIA

In re ADVANCED MARKETING
SERVICES, INC. SECURITIES
LITIGATION

Case No. 04-CV-00121 RTB (AJB)

CLASS ACTION

This Document Relates To:

ALL ACTIONS.

FINAL JUDGMENT AND ORDER OF DISMISSAL
OF THE LITIGATION WITH PREJUDICE

1 This matter came before the Court for hearing on October 16, 2006, pursuant to the Order
2 of this Court, on the application of the Settling Parties for approval of the Settlement set forth in
3 the Stipulation of Settlement dated as of February 17, 2006 (the "Stipulation"). Due and
4 adequate Notice having been given to the Settlement Class as required by the Court's Order, and
5 the Court having considered all papers filed and proceedings had herein and otherwise being
6 fully informed in the premises and good cause appearing therefor,

7 IT IS HEREBY ORDERED, ADJUDGED AND DECREED that:

8 1. This Judgment incorporates by reference the definitions in the Stipulation, and all
9 terms used herein shall have the same meanings as set forth in the Stipulation.

10 2. This Court has jurisdiction over the subject matter of the Litigation and over all
11 Settling Parties to the Litigation, including all Members of the Settlement Class.

12 3. "Settlement Class" means a class consisting of all Persons and entities who
13 purchased or otherwise acquired AMS common stock during the period from January 16, 1999
14 through January 13, 2004 (the "Class Period"), and who were damaged thereby. Excluded from
15 the Settlement Class are defendants; members of the immediate families of Michael N. Nicita,
16 Edward J. Leonard and Charles C. Tillinghast III; any parent, subsidiary, affiliate, partner,
17 officer, executive, or director of any defendant; any entity in which any such excluded Person
18 has a controlling interest; and the legal representatives, heirs, successors, and assigns of any such
19 excluded Person or entity. Also excluded from the Settlement Class are those Persons or entities
20 who validly excluded themselves from the Settlement Class by September 20, 2006, as listed on
21 Exhibit A hereto.

22 4. This Court finds that the requirements of Rules 23(a) and (b)(3) of the Federal
23 Rules of Civil Procedure have been satisfied. The Court finds that the Settlement Class is so
24 numerous that joinder of all members is impracticable, that there are questions of law or fact
25 common to the Settlement Class, that the claims of the Lead Plaintiff are typical of the claims of
26 the Settlement Class, and that the Lead Plaintiff will fairly and adequately protect the interests of
27 the Settlement Class. The Court further finds that the questions of law or fact common to the
28 members of the Settlement Class predominate over any questions affecting only individual

1 members, and that a class action is superior to other available methods for the fair and efficient
2 adjudication of this controversy.

3 5. Pursuant to Federal Rule of Civil Procedure 23, this Court hereby approves the
4 Settlement set forth in the Stipulation in all respects and finds that said Settlement is, in all
5 respects, fair, reasonable and adequate to the Settlement Class in light of the following findings
6 supported by Lead Plaintiff's motion for final approval of the Settlement and after consideration
7 of all objections thereto: (i) the lack of any indicia of fraud or collusion behind the Settlement;
8 (ii) the complexity, expense, and likely duration of this complex securities litigation; (iii) the
9 probability of plaintiffs' success on the merits weighed against the risks of being unsuccessful at
10 trial and/or appeal; (iv) the range of plaintiffs' possible recovery based on plaintiffs' damages
11 analysis; and (v) the support of the Settlement by Lead Counsel, the institutional Lead Plaintiff
12 and Class Representative Police and Fire Retirement System of the City of Detroit. The Court
13 directs the Settling Parties to perform the terms of the Stipulation.

14 6. Except as to any individual claim of those Persons who have validly and timely
15 requested exclusion from the Settlement Class as listed in Exhibit A hereto, upon the Effective
16 Date, the Lead Plaintiff does, and each of the Settlement Class Members shall be deemed to
17 have, and by operation of the Judgment shall have, fully, finally and forever released,
18 relinquished and discharged all Released Claims and any all Claims arising out of, relating to, or
19 in connection with the Settlement or resolution of the Litigation against the Released Persons,
20 including Unknown Claims, whether or not such Settlement Class Member executes and delivers
21 the Proof of Claim and Release. Any and all Claims for contribution or other similar causes of
22 action, however denominated, against defendants by any person arising out of the Litigation, are
23 permanently extinguished, barred, enjoined, satisfied and finally discharged (i) as provided by 15
24 U.S.C. § 78u-4(f)(7)(A), and (ii) as may be provided by applicable federal or state statutes or
25 common law. Nothing in this Stipulation shall release, bar, waive, or otherwise affect a Claim of
26 any member of the Settlement Class to the extent such a Claim may exist in the currently
27 pending Derivative Actions.
28

1 7. Upon the Effective Date, the Released Persons shall be deemed to have, and by
2 operation of this Judgment shall have, fully, finally, and forever released, relinquished and
3 discharged each and all of the Settlement Class Members and Lead Counsel from all Claims
4 including Unknown Claims, arising out of, relating to, or in connection with the institution,
5 prosecution, assertion, settlement or resolution of the Litigation or the Released Claims. Each of
6 the releases set forth or referred to in the Stipulation shall be and are hereby deemed to be in
7 effect as of the Effective Date of the Stipulation.

8 8. The Notice of Proposed Settlement of Class Action given to the Settlement Class
9 was the best notice practicable under the circumstances, including the individual notice to all
10 Members of the Settlement Class at their last known addresses who were previously identified
11 through reasonable efforts and were previously mailed the Notice of Class Action, and who did
12 timely and validly exclude themselves. Said notice provided the best notice practicable under
13 the circumstances of these proceedings and of the matters set forth herein, including the
14 proposed Settlement set forth in the Stipulation, to all Persons entitled to such notice, and said
15 notice fully satisfied the requirements of Federal Rule of Civil Procedure 23 and the
16 requirements of due process.

17 9. Any Plan of Allocation submitted by Lead Counsel or any order entered regarding
18 the attorneys' fees or reimbursement of expenses application or applications shall in no way
19 disturb or affect this Judgment and shall be considered separate from this Judgment.

20 10. Neither the Stipulation, nor the Settlement contained therein, nor any act
21 performed or document executed pursuant to or in furtherance of the Stipulation or the
22 Settlement is or may be deemed or offered or received in evidence as a presumption, a
23 concession, or an admission of any fault, liability or wrongdoing, and, except as required to
24 enforce the Settlement, they shall not be offered or received in evidence or otherwise used by
25 any person in these or any other actions or proceedings, whether civil, criminal, or
26 administrative. The Released Persons may file this Stipulation and/or a potential Judgment in
27 any action that may be brought against any of them to support a defense or counterclaim based
28 upon principles of *res judicata*, collateral estoppel, full faith and credit, release, good faith

1 settlement, judgment bar, or reduction or any other theory or claim preclusion or issue preclusion
2 or similar defense or counterclaim.

3 11. Without affecting the finality of this Judgment in any way, this Court hereby
4 retains continuing jurisdiction over: (a) implementation of this Settlement and any award or
5 distribution of the Settlement Fund, including interest earned thereon; (b) disposition of the
6 Settlement Fund; (c) hearing and determining applications for attorneys' fees, interest and
7 expenses in the Litigation; and (d) the Settling Parties hereto for the purpose of construing,
8 enforcing and administering the Stipulation.

9 12. The Court finds that during the course of the Litigation, the Settling Parties and
10 their respective counsel at all times complied with the requirements of Federal Rule of Civil
11 Procedure 11.


12 13. In the event that the Stipulation does not become effective in accordance with the
13 terms of the Stipulation, or the Effective Date does not occur, or in the event that the Settlement
14 Fund, or any portion thereof, is returned to defendants, then this Judgment shall be rendered null
15 and void to the extent provided by and in accordance with the Stipulation and shall be vacated
16 and, in such event, all orders entered and releases in connection herewith shall be null and void
17 to the extent provided by and in accordance with the Stipulation.

18 14. The Settling Parties are to bear their own costs, except as otherwise provided in
19 the Stipulation.

20 15. The Court finds, under Rules 54(a) and (b) of the Federal Rules of Civil
21 Procedure, that this Final Judgment and Order of Dismissal constitutes this Action's final
22 adjudication on the merits and should be entered without delay. Accordingly, the Clerk is
23 directed to enter this Judgment dismissing this Action with prejudice forthwith.

24 IT IS SO ORDERED.

25
26 DATED: 10/16/06, 2006

27 
28 THE HONORABLE ROGER T. BENITEZ
United States District Judge

EXCLUSION LIST

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