

**IN THE CHANCERY COURT FOR THE STATE OF TENNESSEE  
20<sup>TH</sup> JUDICIAL DISTRICT AT NASHVILLE**

**PART III – BUSINESS COURT PILOT PROJECT**

**STEPHEN BUSHANSKY, On Behalf of Himself and  
All Others Similarly Situated,**

**Plaintiff,**

**v.**

**AVENUE FINANCIAL HOLDINGS, INC., et. Al**

**Defendants.**

**Case No. 16-489-BC**

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

**TO: ALL RECORD HOLDERS AND BENEFICIAL OWNERS OF AVENUE FINANCIAL HOLDING INC.'S COMMON STOCK BETWEEN JANUARY 28, 2016 AND JULY 1, 2016, INCLUSIVE (THE "CLASS PERIOD"). THIS NOTICE WAS SENT TO YOU BY ORDER OF THE COURT. PLEASE READ THIS NOTICE CAREFULLY AND IN ITS ENTIRETY. THIS NOTICE RELATES TO A PROPOSED SETTLEMENT OF THIS CLASS ACTION AND, IF YOU ARE A CLASS MEMBER, CONTAINS IMPORTANT INFORMATION AS TO YOUR RIGHTS CONCERNING THE SETTLEMENT DESCRIBED BELOW.**

**IF YOU HELD SHARES OF AVENUE FINANCIAL HOLDINGS, INC. STOCK FOR THE BENEFIT OF ANOTHER, PLEASE PROMPTLY TRANSMIT THIS DOCUMENT TO THE BENEFICIAL OWNER.**

**This Notice is not a lawsuit against you. You are not being sued. You have received this Notice because you may be a member of the Class described in this Notice.**

- The settlement ("Settlement") of the above-referenced action (the "Action") resolves a lawsuit which asserts that Defendants breached their fiduciary duties to the shareholders of Avenue Financial Holdings, Inc. ("Avenue" or the "Company"), or aided and abetted such breaches of fiduciary duty. The Action included claims (1) that the members of the Avenue board of directors breached their fiduciary duties to the public shareholders of Avenue by recommending to shareholders a proposed sale of the Company to Pinnacle Financial Partners, Inc. ("Pinnacle") that did not maximize shareholder value (the "Transaction"); and (2) that the Company's disclosures with respect to the Transaction were deficient. Defendants are Avenue, its board of directors as of January 28, 2016 (Ronald L. Samuels, Kent Cleaver, David G. Anderson, Agenia Clark, James F. Deutsch, Marty Dickens, Patrick G. Emery, Nancy Falls, Joseph C. Galante, David Ingram, Stephen Moore, Ken Robold, and Karen Saul), and Pinnacle (collectively, "Defendants").
- The Settlement provides for the dissemination of a Supplement to Avenue's Proxy Statement on June 13, 2016, that contained certain additional disclosures regarding the Transaction, including: details regarding discussions between Avenue and Pinnacle leading up to the transaction; details of the Avenue Board's deliberations regarding the Transaction, additional information regarding certain work performed for Pinnacle by Keefe, Bruyette & Woods ("KBW") prior to Avenue's engagement of KBW as its financial advisor in connection with the Transaction, and additional details of the discounted cash flow analysis performed by KBW in evaluating the fairness of the Transaction to Avenue shareholders, including certain financial projections provided to KBW by Avenue management. The full text of the Supplemental Proxy Statement, which was mailed to shareholders on June 13, 2016, is available at:  
**<https://www.sec.gov/Archives/edgar/data/1616297/000119312516620099/d209353ddefa14a.htm>**
- Plaintiff believes that the Settlement provides a substantial benefit to the Class and avoids the costs and risks associated with continued litigation, including the danger of no recovery. In connection with the Transaction, Avenue was required to disclose to Plaintiff and the Class information related to the decision confronting Avenue shareholders of whether to vote in favor of the Transaction.

- Defendants, solely to avoid the costs, disruption, and distraction of further litigation, and without admitting the validity of any allegations made in the Action, or any liability with respect thereto, have concluded that it is desirable that the claims against them be settled and dismissed on the terms reflected in the Settlement.
- Plaintiff's Counsel have not received any payment for conducting this lawsuit and negotiating the Settlement on behalf of the Class. Plaintiff's Counsel will ask the Court to approve attorneys' fees and expenses in the amount of \$300,000.00, which Avenue (or its successor(s) in interest) has agreed to pay, subject to the Court's approval. The amounts paid to Plaintiff's Counsel for attorneys' fees and reimbursement of expenses will not be paid out of amounts that would otherwise have been paid to members of the Class.

<b>Your Legal Rights and Options in the Settlement:</b>	
<b>DO NOTHING</b>	<b>You are giving up any and all claims against Defendants in connection with the Transaction between Avenue and Pinnacle.</b>
<b>OBJECT</b>	You may write to the Court if you object to this Settlement.
<b>GO TO A HEARING</b>	You may ask to speak in Court about the fairness of the Settlement or the attorney fees requested by Plaintiff's Counsel.

These rights and options – ***and the deadlines for exercising them*** – are explained below.

### **BASIC INFORMATION**

1. **Why Did I Get This Notice?** You or someone in your family may have held shares of Avenue common stock during the Class Period, and therefore you may be a Class member. The Court directed that this Notice be sent to you because you have a right to know about the proposed Settlement of this class action lawsuit, and about all of your options, before the Court decides whether to approve the Settlement.

2. **Why Is This a Class Action?** In a class action, one or more people or entities called class representatives or plaintiffs sue on behalf of people and entities who have similar claims. Here, all these people and entities are called Class Members. One court resolves the issues for all Class Members.

3. **Why Is There a Settlement?** The Court did not decide in favor of Plaintiff or Defendants, all of whom have denied any and all liability for the claims asserted against them in this case. Instead, all of the parties have agreed to a settlement, thereby avoiding the cost and risk of continued litigation, including a trial and possible appeals. Plaintiff and its attorneys believe the Settlement is in the best interests of the Class Members.

4. **How Do I Know if I Am Part of the Settlement?** The Class includes all persons and entities who held shares of Avenue common stock at any time during the period between January 28, 2016 and July 1, 2016, inclusive, including within the Class the legal representatives, heirs, beneficiaries, executors, trustees, predecessors, successors in interest, administrators, agents, transferees, and assigns of all such foregoing holders and/or owners; immediate and remote, excluding the Defendants and their legal representatives, affiliates, immediate families, heirs, successors and assigns, and any entity in which any Defendant has a controlling interest (the "Class").

### **THE LAWYERS REPRESENTING YOU**

5. **Do I Have a Lawyer in This Case?** Bramlett Law Offices and WeissLaw LLP represent Class Members. These lawyers are called Plaintiff's Counsel. You will not be charged for these lawyers. If you want to be represented by your own lawyer, you may hire one at your own expense.

6. **How Will the Lawyers Be Paid?** Plaintiff's Counsel will ask the Court for an award of attorneys' fees and expenses in the amount of \$300,000.00. Avenue (or its successor(s) in interest) has agreed to pay such amount subject to court approval. Class Members are not personally liable for any fees or expenses. To date, Plaintiff's Counsel have not been paid for their services in conducting this litigation on behalf of Plaintiff and the Class, nor for their out-of-pocket expenses. The fee requested will compensate Plaintiff's Counsel for their work in achieving the Settlement.

## OBJECTING TO THE SETTLEMENT

7. **How Do I Tell the Court That I Object to the Settlement?** If you are a Class Member, you can object to the Settlement if you don't like any part of it. You can also object to Plaintiff's Counsel's request for attorneys' fees and expenses. You can give reasons why you think the Court should not approve the Settlement or Plaintiff's Counsel's request for attorneys' fees and expenses. The Court will consider your views. To object, you must send a letter saying that you object and the reasons why you object, and include your name, address and telephone number, as well as proof of membership in the Class, including a listing of your holdings in Avenue stock during the Class Period. Mail the letter to the following places so that it is received no later than ten (10) calendar days prior to the Settlement Hearing on **December 16, 2016**.

### *Clerk of the Court:*

Davidson County Chancery Court Clerk & Master  
1 Public Square, Suite 308  
Nashville, Tennessee 37201

### *Counsel for Plaintiff:*

Paul Kent Bramlett  
Robert Bramlett  
**BRAMLETT LAW OFFICES**  
40 Burton Hills Blvd.; Suite 200  
Nashville, Tennessee 37215

Richard A. Acocelli  
Michael A. Rogovin  
**WEISSLAU LLP**  
1500 Broadway  
16<sup>th</sup> Floor  
New York, New York 10036

### *Counsel for Defendants:*

Robert S. Patterson  
**BRADLEY ARANT BOULT CUMMINGS LLP**  
Roundabout Plaza  
1600 Division Street; Suite 799  
Nashville, Tennessee 37203

Overton Thompson, III  
Joseph B. Crace, Jr.  
**BASS, BERRY & SIMS PLC**  
150 Third Avenue South; Suite 2800  
Nashville, Tennessee 37201

## THE COURT'S FAIRNESS HEARING

8. **When and Where Will the Court Decide Whether to Approve the Settlement?** The court will hold a Settlement Hearing at 1:00 p.m. on **December 16, 2016**, before:

**The Honorable Ellen Hobbs Lyle**  
Davidson County Courthouse  
1 Public Square  
Nashville, Tennessee 37201

9. At this hearing, the Court will consider whether the Settlement is fair, reasonable, and adequate. If there are objections, the Court will consider them at that time, and will listen to any class member who has asked to speak at the hearing. The Court will also consider whether and how much to pay Plaintiff's Counsel. You should be aware that the Court may change the date and time of the hearing. If you want to come to the hearing, you should check with the Court before coming to be sure that the date and/or time has not changed.

10. **Do I Have to Come to the Hearing?** No. Plaintiff's Counsel will answer questions the Court may have. But you are welcome to come at your own expense. If you send an objection, you do not have to come to Court to talk about it. As long as you submitted your written objection on time, the Court will consider it. You may also pay your own lawyer to attend, but it is not necessary.

11. **May I Speak at the Hearing?** You may ask the Court for permission to speak at the Settlement Hearing. To do so, you must send a letter to everyone listed in Question No. 7 above saying that you intend to appear at the hearing. Be sure to include your name, address, telephone number, proof of membership in the Class (including a listing of your holdings in Avenue stock during the Class Period), and your signature. Your notice of intention to appear must be received no later than ten (10) calendar days prior to the Settlement Hearing on **December 16, 2016**.

## **GETTING MORE INFORMATION**

12. **Are There More Details About the Settlement?** This Notice summarizes the proposed Settlement. More details are in the Stipulation of Settlement dated October 18, 2016. You can get a copy of the Stipulation of Settlement during business hours at the Clerk of the Court:

**Davidson County Chancery Court Clerk & Master  
1 Public Square, Suite 308  
Nashville, Tennessee 37201**

or by writing to Richard Acocelli, WeissLaw LLP, 1500 Broadway, 16<sup>th</sup> Floor, New York, New York 10036. If you have questions or want to get additional information, you can call (212) 682-3025 or write to Richard Acocelli at the above address.

## **SPECIAL NOTICE TO NOMINEES**

Brokerage firms, banks and/or other persons or entities who held shares of common Avenue stock at any time between January 28, 2016 and July 1, 2016, inclusive, for the benefit of others are requested to immediately send this Notice to all of such beneficial owners. If additional copies of the Notice are needed for forwarding to such beneficial owners, any requests for such additional copies or provision of a list of names and mailing addresses of beneficial owners may be made to:

**Avenue Financial Holdings Shareholder Litigation  
c/o GCG  
PO Box 10343  
Dublin, OH 43017-5543**

Such brokerage firms, banks and/or other persons or entities requesting additional copies or providing a list of names and mailing addresses of beneficial owners will be reimbursed for documented reasonable out-of-pocket expenses incurred in providing such additional copies or providing a list of names and mailing addresses of beneficial owners.

## **PLEASE DO NOT CALL THE COURT REGARDING THIS NOTICE**

Dated: October 26, 2016

**BY ORDER OF THE CHANCERY COURT FOR DAVIDSON COUNTY,  
TENNESSEE, BUSINESS COURT PILOT PROJECT**