

UNITED STATES DISTRICT COURT
DISTRICT OF ARIZONA

In re Taronis Technologies, Inc. Shareholder
Derivative Litigation

Case No. CV-19-04547-PHX-GMS
LEAD CASE

Consolidated with
Case No. CV-19-05233-PHX-GMS

**NOTICE OF SHAREHOLDER
DERIVATIVE ACTION, PROPOSED
SETTLEMENT AND SETTLEMENT
HEARING**

Judge: G. Murray Snow
Courtroom: Room 601

**TO: ALL PERSONS WHO OWNED TARONIS TECHNOLOGIES, INC., NOW
KNOWN AS BBHC, INC. (“BBHC”), COMMON STOCK AS OF OCTOBER 5, 2020.**

**PLEASE READ THIS NOTICE CAREFULLY AND IN ITS ENTIRETY. IT CONTAINS
IMPORTANT INFORMATION ABOUT YOUR LEGAL RIGHTS. THIS NOTICE
RELATES TO A PROPOSED SETTLEMENT OF SHAREHOLDER DERIVATIVE
ACTIONS AND CLAIMS ASSERTED ON BEHALF OF BBHC (THE “ACTIONS”).**

**IF THE COURT APPROVES THE SETTLEMENT AND DISMISSAL OF THE
ACTIONS, SHAREHOLDERS OF BBHC AND BBHC WILL BE FOREVER BARRED
FROM CONTESTING THE APPROVAL OF THE PROPOSED SETTLEMENT AND
FROM PURSUING THE RELEASED CLAIMS.**

**THESE ACTIONS ARE NOT “CLASS ACTIONS.” THUS, THERE IS NO COMMON
FUND UPON WHICH YOU CAN MAKE A CLAIM FOR A MONETARY PAYMENT.**

On October 5, 2020, BBHC, Inc., formerly known as Taronis Technologies, Inc. (“BBHC”), in its capacity as a nominal defendant, entered into a Stipulation of Settlement (the “Stipulation”) in the above-captioned shareholder derivative actions¹ filed in the U.S. District Court for the District of Arizona, styled *In re Taronis Technologies, Inc. Shareholder Derivative Litigation*, Case No. CV-19-04547-PHX-GMS (D. Ariz.) (“Derivative Actions”), against certain current and former directors and officers of BBHC, and against BBHC as a nominal defendant. The Stipulation executed by counsel for the Settling Parties on October 5, 2020 and the

¹ A derivative claim is a claim brought by a shareholder on behalf of a company, rather than on behalf of himself or herself or the other shareholders of the company. The recovery sought in a derivative action is for the benefit of the company rather than directly for individual shareholders.

settlement contemplated therein (the “Settlement”), including dismissal of all claims with prejudice in the Derivative Actions, is subject to approval by the U.S. District Court for the District of Arizona (the “Court”). The proposed Settlement requires BBHC to adopt certain additional corporate governance reforms, as outlined in Exhibit A to the Stipulation, and provides for a Fee and Expense Award to Plaintiffs’ Counsel in the amount of \$350,000, subject to Court approval.

This notice is a summary of the Settlement only and does not describe all of the details of the Stipulation. For full details of the matters discussed in this notice, please see the full Stipulation by visiting BBHC’s website at <http://www.taronistech.com>, or contact Plaintiffs’ Counsel at the address listed below. All capitalized terms used in this notice, unless otherwise defined herein, are defined as set forth in the Stipulation.

Summary

The Derivative Actions alleged that the Defendants willfully or recklessly made and/or caused the Company to make false or misleading representations to the effect that the Company had entered into a contract with the City of San Diego for the sale of the Company’s metal cutting fuel. As a result of the foregoing, the Plaintiffs alleged that Defendants had breached their fiduciary duties to the Company and to its shareholders. Defendants deny each and every claim and contention alleged by Plaintiffs and also expressly deny all charges of wrongdoing or liability arising out of the allegations in the Actions

Once the Derivative Actions were consolidated on April 13, 2020, the Parties thereafter engaged in preliminary settlement negotiations presided over telephonically by Michelle Yoshida, Esq. of Phillips ADR. Prior to the scheduled August 5, 2020 Zoom mediation date, the Parties were able to reach agreement on the substantive terms of the settlement of the Derivative Actions. The Parties memorialized their agreement as to the substantive terms of the proposed settlement in a Settlement Term Sheet on July 24, 2020. Thereafter, the Parties commenced negotiations as to a proposed Fee and Expense Award to Plaintiffs’ Counsel under the auspices of Mediator Yoshida. These fee and expense negotiations broke down at the Zoom mediation held on August 5, 2020, but continued thereafter telephonically. Eventually, the Mediator made a double-blind proposal to both Parties in an effort to break the impasse. Both Parties agreed to the Mediator’s proposal on August 26, 2020 and settled upon a proposed Fee and Expense Award of \$350,000. The Stipulation was thereafter prepared by the Parties and executed by them on October 5, 2020.

On November 20, 2020, the Court entered an order preliminarily approving the Stipulation and the Settlement contemplated therein and providing for notice of the Settlement (the “Preliminary Approval Order”). The Preliminary Approval Order further provides that the Court will hold a hearing (“Final Hearing”), on March 5, 2021 at 9:30 a.m. before the Honorable G. Murray Snow in Courtroom 601 of the United States District Court for the District of Arizona, Sandra Day O’Connor United States Courthouse, 401 West Washington Street, Phoenix, AZ 85003, pursuant to Federal Rule of Civil Procedure 23.1, to among other things: (i) determine whether the proposed Settlement is fair, reasonable and adequate and in the best interests of BBHC and its shareholders; (ii) consider any objections to the Settlement submitted in accordance with the Notice; (iii) determine whether a Final Judgment substantially in the form

attached as Exhibit C to the Stipulation should be entered dismissing all claims in the Derivative Actions with prejudice and releasing the Released Claims against the Released Persons; (iv) consider the payment to Plaintiffs' Counsel of attorneys' fees and for the reimbursement of expenses as requested in the Fee and Expense Award; (v) consider the payment to Plaintiffs of Service Awards in an amount not to exceed \$2,000 each, which will be funded from the Fee and Expense Award; and (vi) consider any other matters that may properly be brought before the Court in connection with the Settlement.

The Court may, in its discretion, change the date and/or time of the Final Hearing without further notice to you. The Court also has reserved the right to hold the Final Hearing telephonically without further notice to you. If you intend to attend the Final Hearing, please consult the Court's calendar and/or BBHC's website at <http://www.taronistech.com> for any change in date, time or format of the Final Hearing.

Any BBHC Shareholder who wishes to object to the fairness, reasonableness, or adequacy of the Settlement as set forth in the attached Stipulation, or to the proposed Fee and Expense Award and Service Awards, may file an objection. An objector must file with the Court a written statement of his, her or its objection(s): (a) clearly indicating that objector's name, mailing address, daytime telephone number, and e-mail address (if any); (b) stating that the objector is objecting to the proposed Settlement and/or proposed Fee and Expense Award and Service Awards; (c) specifying the reason(s), if any, for each such objection made, including any legal support and/or evidence that such objector wishes to bring to the Court's attention or introduce in support of such objection; and (d) identifying and supplying documentation showing how many shares of BBHC common stock the objector owned as of October 5, 2020, when the objector purchased or otherwise acquired such shares, and proof that the objector still owns such BBHC shares.

The objector must file such objections and supporting documentation with the Clerk of the Court, U.S. District Court, District of Arizona, Sandra Day O'Connor United States Courthouse, 401 West Washington Street, Phoenix, AZ 85003, not later than twenty-one (21) days prior to the Final Hearing, and, by the same date, copies of all such papers must also be received by each of the following persons:

Counsel for Plaintiff Falcone:
Thomas J. McKenna
GAINEY McKENNA & EGLESTON
501 Fifth Avenue, 19th Floor
New York, NY 10017

Counsel for Plaintiff Manley:
Timothy Brown
THE BROWN LAW FIRM, P.C.
240 Townsend Square
Oyster Bay, New York 11771

Counsel for Defendants and BBHC:

Lisa Bugni
KING & SPALDING LLP
50 California Street, Suite 3300
San Francisco, California 94111

An objector may file an objection on his, her or its own or through an attorney hired at his, her or its own expense. If an objector hires an attorney to represent him, her or it for the purposes of making such objection pursuant to this paragraph, the attorney must effect service of a notice of appearance on the counsel listed above and file such notice with the Court no later than twenty-one (21) days before the Final Hearing. Any BBHC Shareholder who does not timely file and serve a written objection complying with the terms of this paragraph shall be deemed to have waived, and shall be foreclosed from raising, any objection to the Settlement, and any untimely objection shall be barred. Any submissions by the Parties in opposition to objections or in reply shall be filed with the Court no later than seven (7) days before the Final Hearing.

Any objector who files and serves a timely, written objection in accordance with the instructions above and herein, may appear at the Final Hearing either in person or through counsel retained at the objector's expense. Objectors need not attend the Final Hearing, however, in order to have their objections considered by the Court. Timely objectors or their attorneys intending to appear at the Final Hearing are required to indicate in their written objection (or in a separate writing submitted to the counsel listed in the preceding paragraph no later than twenty-one (21) days prior to the Final Hearing) that they intend to appear at the Final Hearing and identify any witnesses they may call to testify and exhibits they intend to introduce into evidence at the Final Hearing. Objectors or their attorneys intending to appear at the Final Hearing must also, no later than twenty-one (21) days prior to the Final Hearing, file with the Court, and serve upon counsel listed above, a notice of intention to appear, setting forth the name and address of anyone intending to appear. Any objector who does not timely file and serve a notice of intent to appear in accordance with this paragraph shall not be permitted to appear at the Final Hearing, except for good cause shown.

If you are a current holder of BBHC common stock and do not take steps to appear in this action and object to the proposed Settlement, you will be bound by the Final Judgment of the Court and will forever be barred from raising an objection to such settlement in this or any other action or proceeding, and from pursuing any of the Released Claims.

If you held BBHC common stock as of October 5, 2020 and continue to hold such stock, you may have certain rights in connection with the proposed Settlement. You may obtain further information by contacting Plaintiffs' Counsel at: Thomas J. McKenna, Esq., Gainey McKenna & Egleston, 501 Fifth Avenue, 19th Floor, New York, NY 10017, Telephone: (212) 983-1300, tjmckenna@gme-law.com; or Timothy Brown, The Brown Law Firm, P.C., 240 Townsend Square, Oyster Bay, New York 11771, Telephone: (516) 922-5427, tbrown@thebrownlawfirm.net

PLEASE DO NOT CALL THE COURT OR BBHC REGARDING THIS NOTICE.