

**IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF DELAWARE**

	X	
IN RE ADAMS GOLF, INC. SECURITIES LITIGATION	:	CONSOLIDATED
	:	C.A. No. 99-371-GMS
	X	

NOTICE OF PROPOSED SETTLEMENT OF CLASS ACTION

If you bought shares of Adams Golf stock in its July 9, 1998 Initial Public Offering (“IPO”) or between July 10, 1998 and October 22, 1998 (the “Class Period”), you could get a payment from a class action settlement.

A Federal Court authorized this Notice. This is not a solicitation from a lawyer.

- This Settlement will provide \$16,500,000 in cash, plus interest, plus possibly up to an additional \$1,250,000 (the “Settlement” and the “Settlement Amount” or “Settlement Fund”), to pay claims of persons (“Plaintiffs” and the “Class”) who, during the Class Period, bought shares of Adams Golf, Inc. stock (“Adams Golf” or the “Company”).
- The Settlement Amount is worth an average of \$2.39 per share, or \$2.57 per share if the extra \$1.25 million is received, before payment of attorney’s fees and various expenses. Put another way, the Settlement amount would pay all Class Members between 19% and 21% of their estimated losses, assuming that all Class Members participate in this Settlement, before attorney’s fees and various expenses are subtracted. If fewer Class Members participate, as is likely, participating Class Members will get a higher percent of their losses.
- Plaintiffs believe that this is a very good Settlement, representing a substantial recovery. The Settlement avoids the expense and risk of a jury trial, and brings this ten-year old case to a successful conclusion.
- The lawyers for Plaintiffs and the Class (“Plaintiffs’ Counsel”) have spent thousands of hours over ten years litigating this class action suit on a contingent fee basis. They have advanced all the expenses of the lawsuit. Plaintiffs intend to ask Chief Judge Gregory M. Sleet (the “Court”), who is in charge of this case, to award attorney’s fees of up to one-third of the Settlement Amount, and reimbursement of litigation costs of not more than \$775,000.
- Your legal rights are affected whether you act, or don’t act, in response to this Notice.

PLEASE READ THIS NOTICE CAREFULLY

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT ARE LISTED BELOW

WHAT YOU CAN DO	WHAT WILL RESULT
SUBMIT A PROOF OF CLAIM, RELEASE, AND W-9 FORM (“PROOF OF CLAIM”)	The only way to get a payment.
EXCLUDE YOURSELF OR OPT OUT	Get no payment. This allows you to sue Defendants on your own about the claims in this case, hiring your own attorneys.
OBJECT BUT REMAIN IN THE SETTLEMENT	Write to the Court about why you don’t like the Settlement, the Plan of Allocation, or the request for Plaintiff’s Counsel’s fees and costs or for Plaintiff Expense Awards. The Court will consider your objection. You will still get a payment, if you file a valid, approved Proof of Claim, and if the Court approves the Settlement.
WITHDRAW YOUR PRIOR EXCLUSION	Even if you asked to be excluded from the Class in response to the Notice dated November 4, 2005 (which informed you that this class action is pending), you can withdraw that exclusion and get a payment if you file a valid, approved Proof of Claim, and if the Court approves the Settlement.
GO TO A HEARING	The Court will conduct a hearing on June 17, 2010. This hearing is open to the public. It will take place at 9:30 a.m. in Courtroom 4A at J. Caleb Boggs Federal Building, 844 N. King Street, Wilmington, DE 19801-3519. To speak at the hearing about any objection you may have filed, you will need to give advance written notice to the Court and the parties.
DO NOTHING	Get no payment. Give up your rights.

- The Settlement releases and disposes of claims against all Defendants in the case: Adams Golf, its officers and directors, B.H. Adams, Darl P. Hatfield, Richard Murtland, Paul F. Brown, Roland E. Casati, Finis F. Conner and Stephen R. Patchin and the Underwriters who underwrote the Adams Golf IPO, Lehman Brothers Holdings, Inc. (“LBHI”), Lehman Brothers Inc. (“LBI”) (an unnamed party to the Action), Nationsbanc Montgomery Securities, LLC (now Banc of America Securities, LLC), and Ferris Baker Watts, Inc (now RBC Capital Markets Corporation).
- The balance (the “Net Settlement Fund”) of the Settlement Amount (after plaintiffs’ attorney’s fees and costs, as well as expenses related to sending notice, processing claims, and Plaintiff Expense Awards) will be paid to Class Members who have submitted Proofs of Claim that are approved by the Claims Administrator (“Authorized Claimants”). Claims are calculated based on the number of Adams Golf shares purchased in the IPO or during the Class Period, the amount paid (not exceeding \$16 per share, the IPO price), and the amount received on sale. (If the stock was never sold or sold after June 11, 1999, the amount received will be the closing price of the stock on June 11, 1999, which was \$3.06.) Your actual recovery will depend on how much you lost, how many Class Members submit valid Proofs of Claim, and the amount the Court awards for attorney’s fees and various expenses. *See* Questions 9 and 24 below for a more detailed explanation.
- The Settlement ends a class action lawsuit against Adams Golf, its former directors and officers and the Underwriter Defendants concerning whether the Registration Statement and prospectus by which the stock was sold in the IPO (the “Registration Statement”) contained misleading statements, or left out important information. Plaintiffs claim that the Registration Statement misled buyers about the existence and risk of “gray marketing.” Gray marketing involved the unauthorized sales of Adams Golf clubs to discounters who sold to the public at low prices. In the Registration Statement, Adams Golf claimed its golf clubs were sold only to exclusive retailers, such as shops on golf courses or specialty stores, that charged customers full retail prices. The risk posed by gray marketing was that Adams Golf’s customers—the retail golf shops—would stop buying clubs from Adams Golf, because they could not compete against the discounters’ low retail prices.
- Defendants deny the claims in the lawsuit. The parties disagree not only regarding whether the Registration Statement was misleading by not warning about the risk of gray marketing, but also regarding whether Plaintiffs and the Class could have recovered damages, even if they had won at trial. *See* Questions 2 and 4 below for a more detailed explanation.

For further information regarding this Settlement and a copy of the Stipulation of Settlement you may (1) contact Plaintiffs’ Lead Counsel: Todd S. Collins or Elizabeth W. Fox, Berger & Montague, P.C., 1622 Locust Street, Philadelphia, PA, 19103-6305, Telephone: 215-875-3000, email address: efox@bm.net; (2) write to the Claims Administrator, *In Re Adams Golf, Inc. Securities Litigation*, Heffler Radetich & Saitta LLP, P.O. Box 660, Philadelphia, PA 19105; or (3) visit the website at www.hrsclaimsadministration.com, where you will find answers to common questions about the Settlement, the claims procedure, and related matters.

Your rights and options—**and the deadlines to exercise them**—are explained in this Notice.

The Court will decide whether to approve the Settlement. Payments will be made to Authorized Claimants if the Court approves the Settlement, after any appeals are resolved, after other conditions are satisfied, and after the claims are processed. Please be patient.

WHAT THIS NOTICE CONTAINS

BASIC INFORMATION	4
1. Why did I get this Notice package?	4
2. What is this lawsuit about?	4
3. Why is this a class action?	4
4. Why is there a Settlement?	4
WHO IS IN THE SETTLEMENT	5
5. How do I know if I am part of the Settlement?	5
6. Are there exceptions to being included?	5
THE SETTLEMENT BENEFITS—WHAT YOU GET	5
7. What does the Settlement provide?	5
8. What is the Settlement Amount?	5
9. What can I expect to receive under the proposed Settlement?	5
HOW YOU GET A PAYMENT—SUBMITTING A PROOF OF CLAIM	6
10. How can I get a payment?	6
11. When would I get my payment?	6
12. What am I giving up to get a payment and to stay in the Class?	6
EXCLUDING YOURSELF FROM THE SETTLEMENT	7
13. How do I get out of the Settlement?	7
14. If I already excluded myself, how can I participate in the Settlement?	7
THE LAWYERS REPRESENTING YOU	7
15. Do I have a lawyer in this case?	7
16. How will the lawyers be paid?	7
17. Will the Plaintiffs be paid?	8
OBJECTING TO THE SETTLEMENT	8
18. How do I tell the Court that I do not like the Settlement?	8
19. What is the difference between objecting and requesting exclusion?	8
THE COURT’S FAIRNESS HEARING	8
20. When and where will the Court decide whether to approve the Settlement?	8
21. Do I have to come to the hearing?	9
22. May I speak at the hearing?	9
IF YOU DO NOTHING	9
23. What happens if I do nothing at all?	9
UNDERSTANDING YOUR PAYMENT—THE PLAN OF ALLOCATION	9
24. How will each Authorized Claimant’s Payable Claim be calculated?	9
25. What if my Payable Claim is less than \$10.00?	10
26. If I receive no payment will I be bound by the Court’s final order?	10
27. If I don’t like the allocation, can I sue the Plaintiffs, Plaintiffs’ Counsel or the Claims Administrator?	10
NOTICE TO BANKS, BROKERS AND OTHER NOMINEES	10
INQUIRIES	10
PROOF OF CLAIM AND RELEASE FORM AND SUBSTITUTE FORM W-9	11

BASIC INFORMATION

1. Why did I get this Notice package?

You or someone in your family probably bought Adams Golf stock in the July 9, 1998 IPO or during the Class Period, from July 10, 1998 to October 22, 1998. The persons who sued on behalf of the Class—Todd Tonore, F. Kenneth Shockley, John Morrash and Patricia Craus—are called Plaintiffs. The entities and persons they sued—Adams Golf, B.H. Adams, Darl P. Hatfield, Richard Murtland, Paul F. Brown, Roland E. Casati, Finis F. Conner, Stephen R. Patchin, Lehman Brothers Holdings, Inc., Nationsbanc Montgomery Securities, LLC (now Banc of America Securities, LLC), and Ferris Baker Watts, Inc. (now RBC Capital Markets Corporation)—are called Defendants.

The Court directed that you be sent this Notice, if you are a member of the Class, because you have a right to know about the proposed Settlement of this class action lawsuit, and about all of your choices, before the Court decides whether to approve the Settlement. If the Court approves the Settlement, and objections to the Settlement submitted by Class Members (as explained below) and/or any appeals are denied, then a Claims Administrator appointed by the Court will process the claims received and send payments to Class Members with valid claims. You can track the progress of the Settlement by visiting: www.hrsclaimsadministration.com.

This Notice explains the lawsuit, the Settlement, your legal rights, the benefits that are available, who is eligible for them, and how to get them. It also contains the Proof of Claim that you must fill out, sign, and send in with documents to prove you bought the stock, to get a payment.

2. What is this lawsuit about?

The lawsuit claims that Defendants misled Class Members, who bought Adams Golf shares in the IPO or during the Class Period, by misrepresenting the existence of and risk of gray marketing. The lawsuit claims that the Registration Statement failed to tell the Class that Adams Golf clubs were being sold to the public by discounters, and failed to warn the class of the risks of such gray marketing, while at the same time emphasizing Adams Golf's "exclusive" retail network. Defendants deny they did anything wrong, and deny that they caused your losses.

3. Why is this a class action?

In a class action, one or more persons called Plaintiffs sue for all persons who have similar claims—in this case, all persons who bought Adams Golf shares in the IPO or during the Class Period, between July 10, 1998 and October 22, 1998, and lost money. All of these persons are referred to as a Class, or, individually, as Class Members. The Court resolves all of the issues for all Class Members, except for those Members of the Class who exclude themselves from the Class.

4. Why is there a Settlement?

The Court did not decide in favor of Plaintiffs or Defendants. Instead, Plaintiffs, on behalf of the Class, and Defendants have agreed to settle. Plaintiffs have agreed to settle this lawsuit based on: (1) the facts they have discovered during the litigation; (2) the substantial amount of money being paid by Defendants in the Settlement; and (3) their conclusion that the proposed Settlement is fair, reasonable and adequate under the circumstances, Plaintiffs believe the Settlement serves the best interests of the Class Members, and avoids the risks of a jury trial. Defendants have agreed to settle to eliminate the risk of a jury trial and probable post-trial appeals, as well as to avoid the distraction and expense of further litigation.

Plaintiffs and Defendants disagree about the merits of Plaintiffs' claims against Defendants. The major issues on which the parties disagree include: (1) whether Defendants made any materially false and misleading statements in the Registration Statement; (2) whether Defendants failed to disclose important facts or risks in the Registration Statement; (3) whether factors other than gray marketing caused the decline in the price of Adams Golf stock; and (4) whether Plaintiffs could establish damages.

WHO IS IN THE SETTLEMENT

To see if you will get money from the Settlement, you first have to decide if you are a Class Member.

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

You are a Class Member if you bought Adams Golf stock in the July 9, 1998 IPO or during the Class Period (between July 10, 1998 and October 22, 1998).

6. Are there exceptions to being included?

You are not a Class Member if you are a Defendant in this lawsuit or a relative or member of the immediate family of any of the Defendants. You are also not a Class Member if you bought all of your Adams Golf stock after October 22, 1998 or you owned your stock before the July 9, 1998 IPO. Also, if you excluded yourself from the Class at the time you received the November 2005 Notice of Pendency of the Class, as described below, you are not a part of the Class, unless you tell the Court that you no longer wish to be excluded by signing the Proof of Claim and checking the box on page 11 after paragraph 2 of the Proof of Claim. See Questions 10, 13 and 14 for a detailed explanation.

THE SETTLEMENT BENEFITS—WHAT YOU GET

7. What does the Settlement provide?

The terms of the proposed Settlement, including the payment of \$16,500,000 plus the contingent \$1,250,000, are summarized below and set forth in the Stipulation of Settlement. You can get a copy of the Stipulation of Settlement by writing to Plaintiffs' Counsel, or by visiting www.hrsclaimsadministration.com.

The Settlement requires that all Class Members release all of the Defendants, and their relatives, lawyers, insurance companies and heirs and other related persons, with respect to all claims concerning Adams Golf's IPO. This includes any claims made by Class Members about this case in the Chapter 11 bankruptcy of LBHI or the Securities Investor Protection Act (SIPA) Proceeding as to LBI. This means that you agree never again to sue any of Defendants about the shares you bought in Adams Golf's IPO or during the Class Period, and your losses from that purchase. If you made a claim in the LBHI bankruptcy or LBI SIPA proceeding about your losses in this case, that claim will be eliminated or withdrawn. The exact legal language is in the Proof of Claim at the end of this Notice.

8. What is the Settlement Amount?

The proposed Settlement calls for Defendants to create a Settlement Fund in the amount of \$16,500,000 in cash. In addition, Adams Golf will pay into the Settlement Fund up to \$1,250,000, if Adams Golf wins or favorably settles a lawsuit against its former insurance broker, Thilman & Filipini ("Thilman"), or against Zurich American Insurance Company ("Zurich"), concerning Zurich's denial of insurance coverage and Thilman's alleged failure to notify Zurich of Plaintiffs' class action lawsuit against Adams Golf (the "Insurance Litigation"). If Adams Golf is successful in the Insurance Litigation, the Settlement Fund will be increased by the first \$1,250,000 that may be recovered, after paying Adams Golf's attorney's fees and expenses.

Further, subject to the Court's approval, a portion of the Settlement Amount will be used to pay Plaintiffs' attorney's fees and costs and other reasonable expenses of the case (including notice and settlement administration costs and taxes on interest earned), as well as Plaintiff Expense Awards. See Questions 9, 16 and 17 below for a more detailed explanation. The Net Settlement Fund will be paid to Authorized Claimants.

9. What can I expect to receive under the proposed Settlement?

Your share, if any, of the Net Settlement Fund will depend on: (1) the total dollar amount of all the valid claims submitted by Authorized Claimants; (2) the amount of interest earned by the Settlement Fund; (3) the amount of administrative costs, including the costs of sending notice and settlement administration; (4) the amount of taxes and tax expenses on any interest earned by the Fund; (5) the amount awarded by the Court for Plaintiffs' attorney's fees and costs; (6) the amount awarded by the Court for Plaintiff Expense Awards; (7) the amount, if any, by which the Net Settlement Fund is increased as a result of the Insurance Litigation; and (8) the amount of money you lost because you bought Adams Golf stock in the IPO or during the Class Period. The Claims Administrator will distribute the Net Settlement Fund, according to the Plan of Allocation, after the deadline for submission of Proofs of Claim has passed, after all claims have been processed, and after the Court has finally approved the Settlement and any appeals are resolved. See Questions 24-26 for an explanation of the Plan of Allocation.

HOW YOU GET A PAYMENT—SUBMITTING A PROOF OF CLAIM

10. How can I get a payment?

To get a payment, you must send in a signed Proof of Claim regarding your purchase(s) of Adams Golf shares in the IPO or between July 10, 1998 and October 22, 1998; you must specify the dates on which you bought and sold the shares; the number of shares you bought and sold; the price at which you bought and sold, and your ending balance as of June 11, 1999; you must submit documents showing your purchases and sales and holdings as of June 11, 1999; and you must submit a signed Substitute W-9 Form. The Proof of Claim is attached to this Notice. You may also download a Proof of Claim from www.hrsclaimsadministration.com. Please (1) read the instructions carefully; (2) fill out the Proof of Claim and sign it at the two places shown; (3) include copies of documents that show the number of shares that you bought and sold, the prices per share and ending balance as of June 11, 1999, such as copies of documents from your broker; and (4) mail the Proof of Claim and documents, postmarked no later than July 3, 2010 to:

Claims Administrator
In Re Adams Golf, Inc. Securities Litigation
Heffler Radetich & Saitta LLP
P.O. Box 660
Philadelphia, PA 19105-0660

The Claims Administrator will process your claim and advise you if you are an “Authorized Claimant”—meaning that your claim satisfies the requirements established by the Court. If the Claims Administrator rejects your claim or any part of it, you will be given an explanation, and you will be given a chance to correct any problems. If you disagree with the Claims Administrator’s final decision, you may appeal that decision to the Court.

If you excluded yourself from the Class in response to the Notice informing you of the pendency of this class action, dated November 4, 2005, and now want to get a payment from the Settlement, you should send in the Proof of Claim with your supporting documents and check the box after paragraph 2 on page 11 of the Proof of Claim, saying that you want to withdraw your exclusion. If you filed a claim in the Lehman Bankruptcy, you must check the box after paragraph 2 on page 11, and provide your claim number or a copy of your claim.

11. When would I get my payment?

The Court has scheduled a hearing for June 17, 2010 (the “Final Hearing”), to decide whether to approve the Settlement. *See* Question 20. Even if the Court approves the Settlement, there may be appeals that would delay the payments. After Court approval, and the resolution of any appeals, the Claims Administrator must process all of the Proofs of Claim. As many as 7,500 persons could send in Proofs of Claim. Everyone who sends in a Proof of Claim will be informed of the approval or disapproval of his or her claim. Please be patient. You can also track the progress of the Settlement by visiting: www.hrsclaimsadministration.com.

12. What am I giving up to get a payment and to stay in the Class?

Unless you exclude yourself, you will remain in the Class. If the Settlement is approved, you and all Class Members will release all of the claims that are covered by the Stipulation of Settlement (“Released Claims”) against Defendants and the persons related to them, such as their children, parents, lawyers, affiliates and insurers. This means that you agree not to sue or be part of a lawsuit against Defendants about the Adams Golf IPO or the stock you bought during the Class Period, and you will give up any claims you may have filed in the Lehman bankruptcy, concerning Adams Golf. It also means that all of the Court’s orders will apply to you and legally bind you. Please see the definitions of the terms that are in quotations in the Proof of Claim. If you sign the Proof of Claim, you are agreeing to release all the “Released Claims” against “Released Parties” as defined in the Proof of Claim, which describes exactly the legal claims that you will give up unless you opt out.

EXCLUDING YOURSELF FROM THE SETTLEMENT

If you do **not** want to receive a payment from this Settlement, and you want to keep the right to sue Defendants on your own about the legal issues in this case, then you must take steps to get out of the Settlement. This is called excluding yourself—or is sometimes referred to as opting out of the Class.

13. How do I get out of the Settlement?

To exclude yourself from or opt out of the Settlement, you must send a letter by mail stating that you want to be excluded from *In re Adams Golf, Inc. Securities Litigation*, C.A. No. 99-371-GMS. Be sure to include your name, address, telephone number, and your signature, along with the purchase date(s) and amount(s) of your shares to prove your membership in the Class. You must mail your exclusion request postmarked no later than June 2, 2010 to:

Claims Administrator
Adams Golf, Inc. Securities Litigation
Heffler Radetich & Saitta LLP
P.O. Box 660
Philadelphia, PA 19105-0660

You can't exclude yourself on the phone or by e-mail. **If you ask to be excluded, you will not receive a Settlement payment, and you cannot object to the Settlement.** If you ask to be excluded, you will not be legally bound by anything that happens in this lawsuit or Settlement, and you may be able to sue Defendants on your own, subject to various factors including applicable statutes of limitation and statutes of repose. If you have already excluded yourself from the Class and want to remain excluded and not get a payment, you do not need to send in anything.

14. If I already excluded myself, how can I participate in the Settlement?

If you opted out in response to the November 4, 2005 notice to the Class, and now want to rejoin the Class so you might become eligible to get a payment, you may do so by checking the box after paragraph 2 on page 11 of the Proof of Claim and signing and returning the Proof of Claim. *See* Question 10 above.

THE LAWYERS REPRESENTING YOU

15. Do I have a lawyer in this case?

The Court approved the law firm of Berger & Montague, P.C. to represent you and the other Class Members. Other law firms have also done some of the legal work. The lawyers from Berger & Montague and these firms are called Plaintiffs' Counsel. You will not be charged for these lawyers, except that they seek payment of their fees and expenses from the Settlement Fund. If you want to be represented by your own lawyer, you may hire one at your own expense, but it is not necessary for you to do so.

16. How will the lawyers be paid?

Plaintiffs' Counsel have spent thousands of hours working on this suit on a contingent fee basis, and have paid or incurred the expenses of litigation—up to \$775,000—with the expectation that if they were successful in recovering money for the Class, they would receive fees and be reimbursed for their expenses from the Settlement Amount, as is customary in this kind of litigation. They also took the risk that if the suit were not successful, they would be paid nothing. Therefore, Plaintiffs' Counsel will ask the Court at the Final Hearing (*See* Question 20 below) to make an award of attorney's fees in an amount not more than one-third of the Settlement Amount and for reimbursement of expenses in an amount not more than \$775,000. The Court may award less than these amounts. Any amounts awarded by the Court will come out of the Settlement Amount.

Plaintiffs' Counsel also reserve their right to seek additional money for their work in connection with administering the Settlement, and/or for exceptional recoveries, should they occur, on a per claim basis.

17. Will the Plaintiffs be paid?

Lead Counsel will ask the Court to reimburse Plaintiffs for their reasonable, out-of-pocket costs and expenses (including lost wages directly related to the representation of the Class) in acting as Plaintiffs and Class representatives. These are called Plaintiff Expense Awards, which Plaintiffs will receive in addition to their pro rata shares of the Net Settlement Fund. Plaintiffs have devoted considerable time to consulting with Plaintiffs' Counsel, providing discovery, and giving their depositions. Plaintiff John Morrash also frequently consulted with and instructed Plaintiffs' Counsel and attended numerous arguments and mediations over the last ten years. Plaintiff Expense Awards will come out of the Settlement Amount. The total amount of Plaintiff Expense Awards will not be more than \$40,000.

OBJECTING TO THE SETTLEMENT

You can tell the Court that you do not agree with the Settlement, any part of the Settlement, the Plan of Allocation, and/or the requests for Plaintiffs' attorney's fees and costs and Plaintiff Expense Awards ("Objections" or "to object"). The Court will consider your Objections and rule on them at or after the Final Hearing on June 17, 2010.

18. How do I tell the Court that I do not like the Settlement?

If you are a Class Member, you can object. The Court will consider your views. To object, you must send a letter stating that you object in *In re Adams Golf, Inc. Securities Litigation*, C.A. No. 99-371-GMS. Be sure to include your name, address, telephone number, your signature, and the purchase date(s), number of shares, and amount(s) paid for each share of the stock you bought in the IPO or during the Class Period to show your membership in the Class. In the letter, write all of the reasons for your objection to the Settlement, the proposed Plan of Allocation, or the requests for attorney's fees and costs and Plaintiff Expense Awards. Mail the Objection to the four different places stated below, postmarked no later than June 2, 2010.

PLACES TO MAIL OBJECTIONS

COURT	PLAINTIFFS' COUNSEL	DEFENSE COUNSEL
Clerk of the Court United States District Court District Court for the District of Delaware J. Caleb Boggs Federal Building 844 N. King Street Wilmington, DE 19801-3519	Todd S. Collins Elizabeth W. Fox. Berger & Montague, P.C. 1622 Locust Street Philadelphia, PA 19103	Paul R. Bessette Greenberg Traurig, LLP 300 West Sixth Street Suite 2050 Austin, TX 78701 and Michael J. Chepiga Simpson Thacher & Bartlett, LLP 425 Lexington Avenue New York, NY 10017-3954

19. What is the difference between objecting and requesting exclusion?

You can object only if you are a member of the Class. If you submit a valid claim, you may get a payment, even if you object. Excluding yourself is telling the Court that you do not want to be part of the Class, and that you do not want a payment from the Settlement. If you exclude yourself, you have no basis to object because the case no longer affects you.

THE COURT'S FAIRNESS HEARING

The Court will hold a Final Hearing to decide whether to approve the Settlement and to consider other matters addressed in this Notice. You may attend and you may ask to speak, but you do not have to be there or to speak.

20. When and where will the Court decide whether to approve the Settlement?

The Court will hold a Final Hearing at 9:30 a.m. on June 17, 2010, in Courtroom 4A, at the United States District Court for the District of Delaware, J. Caleb Boggs, Federal Building, 844 N. King Street, Wilmington, DE 19801-3519. At this hearing the Court will consider whether the Settlement is fair, reasonable, and adequate. At or after the hearing, the Court will also decide whether to approve the proposed Plan of Allocation, how much to pay Plaintiffs' Counsel for attorney's fees and costs, and whether and how much to pay for Plaintiff Expense Awards. If there are Objections, the Court will consider them. The Court will listen to people (or their lawyers) who have submitted a written

Objection and have told the Court of their intent to appear and speak at the hearing, postmarked no later than June 2, 2010, and mailed to the four different places listed in the chart following Question 18 above. We do not know how long these decisions will take.

21. Do I have to come to the hearing?

No. Plaintiffs' Counsel will answer any questions the Court may have. But you are welcome to come at your own expense. If you file an Objection, you do not have to come to court to talk about it. As long as you mailed your written Objection on time, the Court will consider it. You may also attend or pay your own lawyer to attend to speak in support of any Objection you may have mailed, but it is not necessary. You may speak as long as you have followed the instructions set forth in the answer to Question 22.

22. May I speak at the hearing?

If you have submitted a written Objection to the Settlement, or any other issue, and followed the instructions in Questions 18 and 21 and this paragraph, you (or your lawyer) may speak at the Fairness Hearing in support of your Objection. To speak at the hearing, you or your lawyer must send a letter, along with your written Objection, saying that it is your "Notice of Intention to Appear in *In re Adams Golf, Inc. Securities Litigation*, C.A. No. 99-371-GMS." Be sure to include your name, address, telephone number, and your signature. Your Notice of Intention to Appear must be postmarked no later than June 2, 2010, and be sent to the Clerk of the Court, Plaintiffs' Counsel, and Defense Counsel, at the addresses listed in Question 18. You may not speak at the hearing if you exclude yourself.

IF YOU DO NOTHING

23. What happens if I do nothing at all?

If you do nothing, you will not receive any money from this Settlement. You also will not be able to start a lawsuit against Defendants about the legal issues in this case, ever again. You will not be permitted to object to this Settlement, and any claim you may have filed in the Lehman bankruptcy will be invalid.

UNDERSTANDING YOUR PAYMENT—THE PLAN OF ALLOCATION

The Plan of Allocation is the method by which the Claims Administrator will calculate how much to pay each Authorized Claimant.

24. How will each Authorized Claimant's Payable Claim be calculated?

The Net Settlement Fund will be divided among the Authorized Claimants in accordance with the Plan of Allocation. See Questions 8 and 9. The amount to be paid to you, if you are an Authorized Claimant, is your Payable Claim. Your Payable Claim requires calculation of your Recognized Loss. Recognized Loss equals the total amount of your damages, which is the total amount you paid for your stock, but no more than \$16 per share, minus the total amount you sold your stock for. If you sold your shares after June 11, 1999 (the day Plaintiffs filed this lawsuit), or you still own them, then \$3.06 per share, the amount at which Adams Golf shares closed on June 11, 1999, will be subtracted from the amount you paid for the stock. The Plan of Allocation is based on each Authorized Claimant's pro rata share of the Net Settlement Fund. In other words, the greater your Recognized Loss, the larger your Payable Claim will be.

To figure out your Payable Claim as an Authorized Claimant, the Claims Administrator will calculate what percent your Recognized Loss represents of the total of all Authorized Claimants' Recognized Losses. Once your percent of all Recognized Losses is calculated, then that percent times the total Net Settlement Fund will be your Payable Claim.

For Authorized Claimants who held shares at the beginning of the Class Period or made multiple purchases or sales during the Class Period, the first-in, first-out ("FIFO") method will be applied to such holdings, purchases and sales for purposes of calculating a Recognized Loss. Under the FIFO method, sales of shares during the Class Period will be matched, in chronological order, first against shares held at the beginning of the Class Period, and any remaining shares sold during the Class Period will then be matched, in chronological order, against shares purchased during the Class Period.

Shares "transferred into", "delivered into" or "received into" the claimant's account, shall NOT be considered as purchased shares unless claimant submits documents supporting that the original purchase of the shares occurred

during the Class Period. Also, shares purchased and subsequently “transferred out” or “delivered out” of claimant’s account will NOT be considered part of claimant’s claim, as the right to file for those shares belongs to the person or party receiving the shares.

“Short” sales shall not be recognized for any amount of loss on the cover or purchase transaction, and no Recognized Loss will be computed for any such covering purchase transaction.

No Recognized Loss will be computed for any transactions in Adams Golf Securities engaged in by market makers.

If you inherited or received a gift of Adams Golf stock during the Class Period, that inheritance or gift is not considered a purchase of Adams Golf stock unless your ancestor or donor was the actual purchaser of Adams Golf stock during the Class Period. You, as a recipient of a gift or inheritance, and the original purchaser may not both file a claim with regard to the same shares of Adams Golf stock. If both you and the donor (or you and your ancestor’s estate) make such a claim, only the claim filed by the recipient (or heir) will be honored.

25. What if my Payable Claim is less than \$10.00?

In the interest of economy, no payment will be made to any Authorized Claimant whose Payable Claim would be less than \$10 based on the initial allocation of the Net Settlement Fund to the Authorized Claimants.

26. If I receive no payment, will I be bound by the Court’s final order?

Payment in the manner explained above (including not paying amounts below \$10 and not paying anything to Class Members who did not submit signed Proofs of Claim and supporting documents) will be considered to be conclusive compliance with the Settlement. All Class Members who fail to submit valid and timely Proofs of Claim, or whose payable claim is less than \$10, will be barred from receiving payments from the Net Settlement Fund. All Class Members, except those who opt out, whether or not they get a payment, will be bound by all of the terms of the Settlement, including the terms of any final orders or judgments entered and the releases given to Defendants and others. This means that no Class Member will be permitted to sue any Defendants concerning the shares they bought in the Adams Golf IPO, or during the Class Period, whether or not they received a payment.

27. If I don’t like the allocation, can I sue Plaintiffs, Plaintiffs’ Counsel or the Claims Administrator?

No. Although Class Members have a right to send Objections to the Court, no Class Member will have a right to make a claim against Plaintiffs, Plaintiffs’ lawyers or the Claims Administrator (Heffler), or any other person who is helping Plaintiffs’ Counsel, based on the distributions made in accordance with the Settlement, the Plan of Allocation, and further Orders of Court. In addition, in the interest of achieving substantial justice, Plaintiffs’ Counsel will have the right, but not the obligation, to waive or not insist on what they believe to be formal or technical defects or problems in any Proofs of Claim received by the Claims Administrator.

NOTICE TO BANKS, BROKERS AND OTHER NOMINEES

Each bank, brokerage firm or other nominee (“Nominees”) who purchased or acquired Adams Golf common stock in the IPO or during the Class Period for a beneficial owner, should, within ten (10) days of receipt of this Notice, provide a list of the names and addresses of such beneficial owners to Heffler Radetich & Saitta LLP, P. O. Box 660, Philadelphia, PA, 19105, who will then mail Notices to the beneficial owners. Alternatively, a Nominee may request copies of this Notice and mail such copies out to beneficial owners. The expenses for such a mailing will be borne by the Claims Administrator.

INQUIRIES

All inquiries concerning this Notice, the Proof of Claim, or any other questions by Class Members should be directed to the Claims Administrator or Plaintiffs’ Counsel listed above.

PLEASE DO NOT CONTACT THE COURT REGARDING THIS NOTICE

DATED: March 18, 2010

BY ORDER OF THE COURT:

GREGORY M. SLEET, CHIEF JUDGE

ADAMS GOLF, INC. SECURITIES LITIGATION

PROOF OF CLAIM AND RELEASE FORM AND SUBSTITUTE FORM W-9

I. GENERAL INSTRUCTIONS

1. If you bought shares of Adams Golf, Inc. (“Adams Golf”) stock in the July 9, 1998 Initial Public Offering (“IPO”) or during the period from July 10, 1998 through October 22, 1998 (the “Class Period”), you are a “Class Member” and you may be entitled to a payment from the Settlement proceeds. (See the accompanying Notice for a description of persons that are excluded from the Class.) If you are NOT a Member of the Class, PLEASE DO NOT submit a Proof of Claim and Release (“Proof of Claim”).

2. If you have already excluded yourself from the Class in 2005 but want to get a payment from the Settlement, please check the box below and your exclusion will be withdrawn. In this event, you will be bound by the Settlement and will release Defendants in this case.

I want to withdraw my exclusion filed in November or December 2005.

If you filed one or more proofs of claim (the “Bankruptcy Claims”) in (1) the chapter 11 bankruptcy cases (the “Chapter 11 Bankruptcy Cases”) of Lehman Brothers Holdings Inc. (“LBHI”) and certain of its subsidiaries and/or (2) the proceeding (the “SIPA Proceeding”) commenced under the Securities Investor Protection Act of 1970 (“SIPA”) with respect to Lehman Brothers Inc. (“LBI”) check here .

The Bankruptcy Claims will be deemed disallowed and expunged if you submit this Proof of Claim, and will be treated as if they had not been filed, and you will not be entitled to any distribution on account thereof. See Question 7 in the attached Notice. Please include your claim number or a copy of your Bankruptcy Claim(s), if you filed a claim in the Chapter 11 Bankruptcy Cases and/or SIPA Proceeding.

3. To get a payment, you must:

- a. complete this Proof of Claim and sign it on page 14.
- b. complete the Substitute Form W-9 and sign it on page 15.
- c. mail your completed and signed Proof of Claim Form, your completed and signed Substitute Form W-9 and documents proving your claim (such as copies of confirmation slips or documents from your broker showing the purchase, sale (if any) or holding of your Adams Golf stock, before July 3, 2010, addressed as follows:

Claims Administrator
Adams Golf, Inc. Securities Litigation
Heffler Radetich & Saitta LLP
P.O. Box 660
Philadelphia, PA 19105-0660

- d. Send these documents by First Class Mail or by Certified Mail, return receipt requested, if you want proof that they were received.

4. If you do not send your signed Proof of Claim and signed Substitute W-9 Form and copies of documents to prove your claim such as documents from your broker showing purchases and sales of Adams Golf stock to the address above, postmarked by July 3, 2010, your claim may be rejected and you may not get any payment from the Settlement, as explained in the Notice. Submission of this Proof of Claim, however, does not assure that you will get a payment from the Settlement.

II. PROOF OF CLAIM AND RELEASE

5. By submitting this Proof of Claim, I state that I believe in good faith that I am a Class Member as defined above and in the Notice of Proposed Settlement of Class Action, (the "Notice"), or am acting for such person; that I am not a Defendant in the Action, the family member of a Defendant, a trust of which a Defendant is a settlor, or any entity in which a Defendant has a controlling interest; that if I asked to be excluded from the Class in response to the notice dated November 4, 2005, I want to withdraw that exclusion; that I have read and understand the Notice; that I believe that I am entitled to receive a share of the Net Settlement Amount; and that I have decided to participate in the proposed Settlement described in the Notice. (If you are acting on behalf of a Class member, for instance, as an executor, administrator, trustee, or other representative, you must send evidence of your current authority to act on behalf of that Class member. Such evidence would include, for example, copies of letters testamentary, letters of administration, or a copy of the trust documents.)

6. I understand that the information contained in this Proof of Claim is subject to such verification as the Court may direct, and I agree to cooperate in any such verification. If the Claims Administrator requests additional information, I will provide it if I can.

7. I have set forth where requested below all relevant information about all of my Adams Golf purchases in the IPO or during the Class Period, July 10, 1998 – October 22, 1998 and all of my sales through June 11, 1999.

8. I have included copies of my confirmation slips and copies of documents from my broker.

Claims Administrator
In Re Adams Golf, Inc. Securities Litigation
Heffler Radetich & Saitta LLP
P.O. Box 660
Philadelphia, PA 19105-0660

FIRST CLASS MAIL
U.S. POSTAGE
PAID
PERMIT NO. 2323
PHILADELPHIA, PA

FIRST CLASS MAIL

PLEASE FORWARD—IMPORTANT LEGAL NOTICE

**ACCURATE CLAIMS PROCESSING TAKES A
SIGNIFICANT AMOUNT OF TIME.**

THANK YOU FOR YOUR PATIENCE.

Reminder Checklist:

1. Please sign the above Proof of Claim, and sign the Substitute W-9 Form.
2. Remember to attach confirmation slips or statements from your broker to prove your transactions in Adams Golf stock.
3. Keep a copy of your Proof of Claim for your records.
4. Mail the Proof of Claim and your documents by July 3, 2010.
5. If you want proof that your Proof of Claim was received, please send it Certified Mail, Return Receipt Requested.
6. If you move after submitting your Proof of Claim, please send your new address to the Claims Administrator.