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UNITED STATES DISTRICT COURT  
FOR THE SOUTHERN DISTRICT OF NEW YORK

GABELLI FUNDS, LLC, Individually and  
Derivatively,

Plaintiff,

-- against --

RICHARD BRANDT, MATTHEW  
BRANDT, THOMAS BRANDT and  
MICHAEL R. MULCAHY,

Defendants,

TRANS-LUX CORPORATION,  
Nominal Defendant.

No. 09 Civ. 0830 (KMK)  
ECF Case

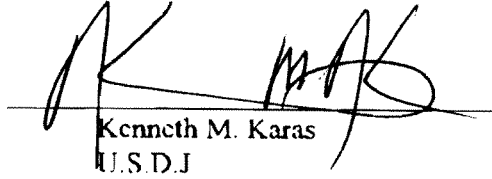
[Proposed]  
**ORDER**

Pursuant to an Order signed by Judge Kenneth M. Karas on July 14, 2009, a hearing was held by Judge Karas on September 15, 2009 to determine whether the Court should approve the settlement of certain derivative claims in the above-captioned action, and after reviewing the memoranda submitted by the parties and other papers, including the Settlement Agreement, the Notice To All Stockholders of Trans-Lux Corporation of Proposed Settlement of Derivative Action (the "Notice"), and the affidavit of Angela Toppi attesting to the mailing of the Notice to Trans-Lux Corporation stockholders in accordance with the July 14, 2009 Order, and having heard argument of counsel for the parties, and the Court having rendered its decision from the bench on September 15, 2009;

It is ordered that the Settlement Agreement between the plaintiff, Gabelli Funds, LLC and the defendants, Richard Brandt, Matthew Brandt, Thomas Brandt, Michael R. Mulcahy, and Trans-Lux Corporation is approved and that judgment should enter dismissing the

derivative claims in the complaint with prejudice and extinguishing and releasing all derivative claims as set forth in the Settlement Agreement.

Dated: September 16, 2009  
New York, New York



Kenneth M. Karas  
U.S.D.J

## SETTLEMENT AGREEMENT

Gabelli Funds, LLC, plaintiff (“Plaintiff”), and Richard Brandt, Matthew Brandt, Thomas Brandt and Michael R. Mulcahy, defendants, and Trans-Lux Corporation (“Trans-Lux”), nominal Defendant (collectively, the “Trans-Lux Defendants”), defendants in an action entitled *Gabelli Funds, LLC v. Brandt, et al*, 09 Civ. 0830 (KMK) (the “Action”), and GAMCO Asset Management Inc., The Gabelli Small Cap Growth Fund, The Gabelli Global Multimedia Trust Inc., The Gabelli Dividend & Income Trust, and The Gabelli Convertible and Income Securities Fund Inc., the owners collectively of approximately forty-three per cent of the common stock of Trans-Lux (the “Gabelli Parties”) (the Plaintiff, the Trans-Lux Defendants and the Gabelli Parties are referred to collectively as the “Settling Parties”), having decided to compromise and settle all claims asserted in the above-listed Action as well as related claims made concerning the nomination of directors to the Trans-Lux Board of Directors, in consideration of the promises, mutual covenants and agreements contained herein, and other good and valuable consideration, receipt of which is hereby acknowledged by each of the parties hereto, hereby agree (the “Agreement”) as follows:

1. Upon a copy of this Agreement signed by all of the Settling Parties being received by their respective counsel, (i) Matthew Brandt and Thomas Brandt shall resign effective immediately as directors of Trans-Lux and of any subsidiary of Trans-Lux; and (ii) the Trans-Lux Defendants and the Plaintiff promptly shall make an application (the “Application”) to the United States District Court for the Southern District of New York (the “District Court”) in the Action for an order pursuant to Rule 23.1(c) of the Federal Rules of Civil Procedure approving this Agreement as signed by the Settling Parties (the “Settlement Approval Order”) as to those claims

contained in the Action that were asserted derivatively on behalf of Trans-Lux, and Trans-Lux shall send to stockholders such Notice of the Court's approval process as the Court may Order. The effective date of this Agreement (the "Effective Date") shall be the date of entry of the Settlement Approval Order. None of the provisions of this Agreement other than subsections (i) and (ii) of this paragraph shall become effective until the Effective Date.

2. Promptly upon the entry of the Settlement Approval Order, the following shall occur:

a. Trans-Lux shall as promptly as reasonably possible schedule a stockholder meeting (the "2009 Annual Meeting") at which an amendment to its Certificate of Incorporation ("the Certificate of Amendment") may properly be presented to the Trans-Lux stockholders for approval under the United States securities laws, Delaware law and the Certificate of Incorporation and By-laws of Trans-Lux, and prepare such Certificate of Amendment which shall provide that each share of Trans-Lux B Stock shall be automatically converted to 1.3 shares of Trans-Lux common stock upon approval by the Trans-Lux stockholders and the filing of the Certificate of Amendment with the State of Delaware. At the said meeting of the stockholders of Trans-Lux, Trans-Lux shall present the Certificate of Amendment for approval by the stockholders of Trans-Lux. The Settling Parties shall use their best efforts to cause the Certificate of Amendment to be presented for approval to the Trans-Lux stockholders, shall recommend that the stockholders of Trans-Lux approve the Certificate of Amendment, and shall vote the shares of Trans-Lux stock that they own or have a right to vote in favor of the approval of the Certificate of

Amendment at such time as it is presented for a stockholder vote. The Settling Parties also will cause all proxies received by any of them to be voted in the manner specified by such proxies and cause all proxies for which a vote is not specified to be voted in favor of the Certificate of Amendment. The Settling Parties shall not make any statement inconsistent with approval of the Certificate of Amendment and shall use their best efforts to respectively cause the Trans-Lux and Gabelli directors, officers and agents not to make any such inconsistent statement.

b. The Plaintiff shall prepare and deliver to counsel for the Trans-Lux Defendants' a voluntary discontinuance of the Action with prejudice and without costs or attorney fees to either party (the "Discontinuance with Prejudice"), which shall be held in escrow by the Trans-Lux Defendants' counsel until the Certificate of Amendment has been approved by Trans-Lux stockholders and the GAMCO Nominees (as defined in paragraph 4 below) have been elected to the Trans-Lux Board of Directors, at which point the Discontinuance with Prejudice may be filed at any time without further notice.

3. At such time as the stockholders of Trans-Lux approve the Certificate of Amendment as set forth above, Richard Brandt shall resign effective immediately as director of Trans-Lux and of any subsidiary of Trans-Lux.

4. At such time as the stockholders of Trans-Lux approve the Certificate of Amendment, the directors of Trans-Lux shall at the same stockholder meeting nominate three

candidates proposed by the Gabelli Parties -- Glenn Angiolillo; Salvatore Zizza; and George Schiele (the "GAMCO Nominees") for election to the Trans-Lux board of Directors, whose names and relevant backgrounds shall be included in the proxy statement for the 2009 Annual Meeting. Mr. Angiolillo shall be nominated to replace Richard Brandt, to be elected for a three-year term, expiring in 2012. Mr. Zizza shall be nominated to replace Thomas Brandt, also to be elected for a three-year term, expiring in 2012. Mr. Schiele shall be nominated to replace Matthew Brandt, to serve the remaining two years of Matthew Brandt's term, expiring in 2011. The Settling Parties shall use their best efforts to cause each of the GAMCO Nominees to be elected to the Board of Directors of Trans-Lux at the 2009 Annual Meeting of Stockholders by causing each of the GAMCO Nominees to be named in the proxy statement, the proxy and the ballot for the 2009 Annual Meeting as part of the Trans-Lux Board of Directors proposed slate of nominees for election at the 2009 Annual Meeting. Trans-Lux also shall recommend in its proxy, proxy statement and the ballot that the stockholders vote to elect each of the GAMCO Nominees at the 2009 Annual Meeting, each for the terms referenced above subject to approval of the Certificate of Amendment, commencing from the close of the 2009 Annual Meeting. The Settling Parties shall vote the shares of Trans-Lux stock that they own or have a right to vote in favor of each of the GAMCO Nominees and the Trans-Lux nominee who shall not be Richard Brandt, Matthew Brandt or Thomas Brandt. Matthew and Thomas Brandt will not be considered for any other Board seats. Richard Brandt will not be considered for a Board seat until after the election of directors at the 2010 meeting of Trans-Lux stockholders. The Settling Parties will cause all proxies received by Trans-Lux to be voted in the manner specified by such proxies and cause all proxies for which a vote is not specified to be voted for the GAMCO Nominees; and the Settling Parties shall not make any statement inconsistent with such recommendation and shall use their

best efforts to respectively cause the Trans-Lux and Gabelli directors, officers and agents not to make any such inconsistent statement.

5. The Settling Parties agree that each of the GAMCO Nominees, upon election to the Board of Directors of Trans-Lux, will serve as a member of the Board and will have the same rights, privileges, protections and obligations regarding confidentiality, conflicts of interest, fiduciary duties, trading and disclosure policies, and other governance guidelines, and will have the same rights and benefits, including with respect to insurance coverage, indemnification and contribution rights, exculpation, advancement of expenses, and compensation and fees, access to personnel and information as are applicable to all independent directors of Trans-Lux. Consistent with its duties and obligations under Delaware Law, so long as any GAMCO Nominee is a member of the Board, Trans-Lux will use its best efforts to cause at least one GAMCO Nominee to be appointed to each committee of the Board for which such GAMCO Nominee has the proper expertise. At the time that this Agreement is executed, Trans-Lux represents that there are only nine (9) members of the Trans-Lux Board of Directors. Upon the execution of this Agreement, Trans-Lux, as authorized and approved by the Trans-Lux Board of Directors, agrees that the number of members of the Trans-Lux Board of Directors will not exceed nine (9), and that no members of the Trans-Lux Board of Directors will be otherwise replaced (except as specified in this Agreement) unless and until the GAMCO Nominees are elected, except that Trans-Lux may replace a current Board of Directors member who dies, resigns or otherwise leaves the Board with a person who is not Matthew, Thomas or Richard Brandt except as provided in paragraph 4. Upon the election of the GAMCO Nominees, Trans-Lux, including any remaining members of the Current Board of Directors, will amend its By-Laws as amended and effective December 12, 2001

such that Trans-Lux, including its Board of Directors, may not increase the number of members of the Trans-Lux Board of Directors above nine (9) without a unanimous vote of the members of its Board of Directors.

6. If prior to the 2011 Annual Meeting of Stockholders, with respect to Mr. Schiele (or any replacement thereof), and prior to the 2012 Annual Meeting of Stockholders, with respect to Mr. Angiolillo and Mr. Zizza (or any replacement thereof), any of the GAMCO Nominees is unable or unwilling to serve as a director, then consistent with its duties and obligations under Delaware Law, Trans-Lux shall use its best efforts to cause the Board of Directors to replace the said director with a nominee suggested by the Gabelli Parties and, consistent with its duties and obligations under Delaware Law, Trans-Lux shall take any and all actions required of it to fill such vacancy with such replacement director. Any replacement of a GAMCO Nominee suggested by the Gabelli Parties shall be considered a GAMCO Nominee for all purposes under this Agreement.

7. (a) Plaintiff Gabelli Funds LLC and the Gabelli Parties, for themselves and their parents, subsidiaries, affiliates, officers, directors, employees, agents, heirs, executors, administrators, successors, assigns, fiduciaries and/or other legal representatives, as RELEASORS, release and discharge the Trans-Lux Defendants, as RELEASEES, and RELEASEES' respective corporate parents, subsidiaries, affiliates, officers, directors, employees, agents, heirs, executors, administrators, successors and assigns, fiduciaries and/or other legal representatives, from all actions, causes of action, suits, debts, dues, sums of money, accounts, reckonings, bonds, bills, specialties, covenants, contracts, controversies, agreements, promises, variances, trespasses, damages, judgments, extents, executions, claims and demands whatsoever,



in law, admiralty or equity, known or unknown, which the RELEASORS ever had, now have or hereafter can, shall or may have for, upon, or by reason of any matter, cause or thing whatsoever from the beginning of the world to the Execution Date of this Agreement (which term "Execution Date" shall be the date when fully executed agreements have been exchanged by counsel for the Settling Parties). (Whenever the text of this paragraph requires, the use of the singular number shall include the appropriate plural number as the text may require). This release does not include any claims or rights of Releasor arising under this Agreement.

(b) The Trans-Lux Defendants, for themselves and their parents, subsidiaries, affiliates, officers, directors, employees, agents, heirs, executors, administrators, successors, assigns, fiduciaries and/or other legal representatives, as RELEASORS, release and discharge Plaintiff Gabelli Funds LLC, the Gabelli Parties, and each of the other defendants, as RELEASEES, and RELEASEES' respective corporate parents, subsidiaries, affiliates, officers, directors, employees, agents, heirs, executors, administrators, successors and assigns, fiduciaries and/or other legal representatives, from all actions, causes of action, suits, debts, dues, sums of money, accounts, reckonings, bonds, bills, specialties, covenants, contracts, controversies, agreements, promises, variances, trespasses, damages, judgments, extents, executions, claims and demands whatsoever, in law, admiralty or equity, known or unknown, which the RELEASORS ever had, now have or hereafter can, shall or may have for, upon, or by reason of any matter, cause or thing whatsoever from the beginning of the world to the Execution Date. (Whenever the text of this paragraph requires, the use of the singular number shall include the appropriate plural number as the text may require). This release does not include any claims or rights of Releasor arising under this Agreement or any claims by Michael Mulcahy arising under his Employment Agreement with Trans-Lux or by Richard Brandt or Moving Images, LLC arising under the Consulting Agreement

between Trans-Lux and Moving Images, LLC.

(c) The releases contained in this paragraph 7 shall be deemed to be held in escrow by the respective counsel for the parties and shall be deemed released from escrow at such time as the Certificate of Amendment is approved by the Trans-Lux stockholders as set forth in paragraph 2(a) and the GAMCO Nominees are elected to the Board as set forth in paragraph 4.

8. (a) Plaintiff Gabelli Funds LLC and the Gabelli Parties for themselves and their officers, directors, agents, parents, subsidiaries, affiliates, heirs, executors, administrators, successors and assigns, fiduciaries and/or other legal representatives, agree not to assert, nor to permit or assist (except as required by law, legal process or court order) in the assertion against the Trans-Lux Defendants (or any officer, director, agent, parent, subsidiary, affiliate, agent, heir, executor, administrator, successor or assign of any of them) of any claim, known or unknown, that was or could have been brought by Plaintiff Gabelli Funds LLC and the Gabelli Parties against the Trans-Lux Defendants, including but not limited to any claim arising out of the Action, or of any settlement or dismissal of the Action. Nothing contained in this paragraph shall affect Plaintiff Gabelli Funds LLC and the Gabelli Parties' right to enforce their rights expressly arising under this Agreement.

(b) The Trans-Lux Defendants for themselves and their officers, directors, agents, parents, subsidiaries, affiliates, heirs, executors, administrators, successors and assigns, fiduciaries and/or other legal representatives, agree not to assert, nor to permit or assist (except as required by law, legal process or court order) in the assertion against the Plaintiff Gabelli Funds LLC and the Gabelli Parties (or any officer, director, agent, parent, subsidiary, affiliate, agent, heir, executor, administrator, successor or assign of any of them) of any claim, known or unknown, that was or

could have been brought by the Trans-Lux Defendants against the Plaintiff Gabelli Funds LLC and the Gabelli Parties, including but not limited to any claim arising out of the Action, or of any settlement or dismissal of the Action. Nothing contained in this paragraph shall affect the Trans-Lux Defendants right to enforce their rights expressly arising under this Agreement.

(c) This paragraph 8 shall be deemed to be held in escrow by the respective counsel for the parties and shall be deemed released from escrow at such time as the Certificate of Amendment is approved by the Trans-Lux stockholders as set forth in paragraph 2(a) and the GAMCO Nominees are elected to the Board as set forth in paragraph 4.

9. In the event that the Application is not approved by the District Court by December 31, 2009 and/or the Settlement Approval Order is not entered by such Court by December 31, 2009 and or the Amendment is not approved and the GAMCO Nominees are not elected by December 31, 2009 (i) this Agreement shall not take effect and shall be null and void, and (ii) no statement made by any person or entity, written or oral, in connection with the settlement negotiations, Application or the Settlement Approval Order shall be either the subject of discovery or admissible as evidence or referred to in any manner or in any proceeding including, but not limited to, motions or the trial of the Action; provided, however, that this paragraph 9 shall not be applicable and this Agreement shall remain effective and shall not be null and void if the events set forth in this paragraph 9 do not occur because of the failure by the Gabelli Parties to vote in their favor at the 2009 Annual Meeting.

10. This Agreement is being entered into by the Settling Parties for the sole purpose of avoiding the risk and further expense of litigation. Neither the execution nor the performance of this Agreement shall constitute, or be construed to constitute, any admission of liability or of

wrongdoing by any of the parties.

11. This Agreement may be executed in as many counterparts as may be convenient or required. All counterparts shall collectively constitute a single instrument, and signature pages may be exchanged by facsimile transmission provided that they are also sent by first-class mail.

12. This Agreement constitutes the sole and entire agreement and understanding between the parties as to the matters addressed herein, specifically including without limitation all claims that were or might have been brought in the Action, and shall not be modified except in writing signed by the parties.

13. This Agreement shall be construed according to the internal laws of the State of New York without reference to decisions or provisions regarding choice of law.

14. The individual signatories to this agreement represent and warrant that they are authorized to execute this Agreement on behalf of the entities for which they have signed their respective names.

15. None of the Settling Parties has any reason to believe that any of the provisions of this Agreement are not in full compliance with New York law, Delaware law, the federal securities laws, or the Trans-Lux By-Laws.

16. Any communication or notice required or permitted to be given under this Agreement shall be in writing and shall be deemed to have been duly given upon facsimile

transmission and contemporaneous mailing by overnight mail, next business day delivery,  
addressed as follows:

To the Trans-Lux Defendants:

Kenneth Hicks, Esq.  
Weisman Celler Spett & Modlin, PC  
445 Park Avenue  
New York, NY 10022  
(212) 371-5407 (facsimile)

To the Plaintiff and the Gabelli Parties:

Joseph A. Sack, Esq.  
THE SACK LAW FIRM PLLC  
2975 Westchester Avenue, Suite 415  
Purchase, New York 10577  
(914) 701-0808 (facsimile)

Peter D. Goldstein, Esq.  
GAMCO Investors, Inc.  
One Corporate Center  
Rye, NY 10580  
(914) 921-5384

Trans-Lux Corporation

by \_\_\_\_\_

\_\_\_\_\_ Title

June \_\_, 2009

The Gabelli Convertible and Income Securities  
Fund Inc.

by \_\_\_\_\_

\_\_\_\_\_ President

\_\_\_\_\_ Title

Dated: June 19, 2009

Richard Brandt

Dated: June \_\_, 2009

Gabelli Funds, LLC.

by \_\_\_\_\_

\_\_\_\_\_ Executive Vice President

\_\_\_\_\_ Title

Dated: June 19, 2009

GAMCO Asset Management Inc

by \_\_\_\_\_

\_\_\_\_\_ C.O.O.

\_\_\_\_\_ Title

Dated: June 19, 2009

The Gabelli Dividend & Income Trust

by \_\_\_\_\_

\_\_\_\_\_ President

\_\_\_\_\_ Title

Dated: June 19, 2009

\_\_\_\_\_  
Thomas Brandt

Dated: June \_\_, 2009

\_\_\_\_\_  
Matthew Brandt

Dated: June \_\_, 2009

\_\_\_\_\_  
Michael R. Mulcahy

Dated: June \_\_, 2009

The Gabelli Small Cap Growth Fund

by \_\_\_\_\_

*Paul Spert*  
\_\_\_\_\_  
President

Title

Dated: June 19, 2009

The Gabelli Global Multimedia Trust Inc.

by \_\_\_\_\_

*Paul Spert*  
\_\_\_\_\_  
President

Title

Dated: June 19, 2009

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Peter D. Goldstein, Esq.  
GAMCO Investors, Inc.  
One Corporate Center  
Rye, NY 10580  
(914) 921-5384

Trans-Lux Corporation

by *Dr. Oppi*  
EVP

Title

June 22, 2009

The Gabelli Convertible and Income Securities  
Fund Inc.

by \_\_\_\_\_

Title

Dated: June \_\_, 2009

Richard Brandt

Dated: June \_\_, 2009

Gabelli Funds, LLC.

by \_\_\_\_\_

Title

Dated: June \_\_, 2009

GAMCO Asset Management Inc

by \_\_\_\_\_

Title

Dated: June \_\_, 2009

The Gabelli Dividend & Income Trust

by \_\_\_\_\_

Title

Dated: June \_\_, 2009

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To the Trans-Lux Defendants:

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Peter D. Goldstein, Esq.  
GAMCO Investors, Inc.  
One Corporate Center  
Rye, NY 10580  
(914) 921-5384

Trans-Lux Corporation

by \_\_\_\_\_

\_\_\_\_\_ Title

June \_\_, 2009

The Gabelli Convertible and Income Securities  
Fund Inc.

by \_\_\_\_\_

\_\_\_\_\_ Title

Dated: June \_\_, 2009

  
Richard Brandt

Dated: June 19, 2009

Gabelli Funds, LLC.

by \_\_\_\_\_

\_\_\_\_\_ Title

Dated: June \_\_, 2009

GAMCO Asset Management Inc

by \_\_\_\_\_

\_\_\_\_\_ Title

Dated: June \_\_, 2009


The Gabelli Dividend & Income Trust

by \_\_\_\_\_

\_\_\_\_\_ Title

Dated: June \_\_, 2009

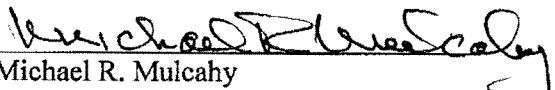


  
\_\_\_\_\_  
Thomas Brandt

Dated: June 19<sup>th</sup>, 2009

\_\_\_\_\_  
Matthew Brandt

Dated: June \_\_, 2009

  
\_\_\_\_\_  
Michael R. Mulcahy

Dated: June 22<sup>nd</sup>, 2009

The Gabelli Small Cap Growth Fund

by \_\_\_\_\_

\_\_\_\_\_  
Title

Dated: June \_\_, 2009

The Gabelli Global Multimedia Trust Inc.

by \_\_\_\_\_

\_\_\_\_\_  
Title

Dated: June \_\_, 2009

\_\_\_\_\_  
Thomas Brandt

Dated: June \_\_, 2009

  
\_\_\_\_\_  
Matthew Brandt

Dated: June 19, 2009

\_\_\_\_\_  
Michael R. Mulcahy

Dated: June \_\_, 2009

The Gabelli Small Cap Growth Fund

by \_\_\_\_\_

\_\_\_\_\_  
Title

Dated: June \_\_, 2009

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by \_\_\_\_\_

\_\_\_\_\_  
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Dated: June \_\_, 2009