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8 **UNITED STATES DISTRICT COURT**
9 **CENTRAL DISTRICT OF CALIFORNIA**
10 **WESTERN DIVISION**

11 IN RE FARADAY FUTURE INTELLIGENT
ELECTRIC INC. DERIVATIVE
12 LITIGATION,

Lead Case No. 2:22-cv-01570-CAS-JC

Consolidated with
Case No. 2:22-cv-01852-CAS-JC

EXHIBIT C

13
14 vs.

15 This Document Relates to:

16 ALL ACTIONS,
17
18

19 **NOTICE OF PENDENCY AND PROPOSED SETTLEMENT OF**
20 **STOCKHOLDER DERIVATIVE ACTIONS**
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1 **TO: ALL RECORD HOLDERS AND BENEFICIAL OWNERS OF**
2 **FARADAY FUTURE INTELLIGENT ELECTRIC INC. (“FARADAY”**
3 **OR THE “COMPANY”) COMMON STOCK AS OF JULY 19, 2024.**

4 PLEASE READ THIS NOTICE CAREFULLY AND IN ITS ENTIRETY. THIS
5 NOTICE RELATES TO A PROPOSED SETTLEMENT AND DISMISSAL WITH
6 PREJUDICE OF STOCKHOLDER DERIVATIVE LITIGATION AND
7 CONTAINS IMPORTANT INFORMATION REGARDING YOUR RIGHTS.

8 IF THE COURT APPROVES THE SETTLEMENT OF THE DERIVATIVE
9 ACTIONS, CURRENT FARADAY STOCKHOLDERS WILL BE FOREVER
10 BARRED FROM CONTESTING THE APPROVAL OF THE PROPOSED
11 SETTLEMENT AND DISMISSAL WITH PREJUDICE, AND FROM PURSUING
12 RELEASED CLAIMS.

13 THIS ACTION IS NOT A “CLASS ACTION.” THUS, THERE IS NO COMMON
14 FUND UPON WHICH YOU CAN MAKE A CLAIM FOR A MONETARY
15 PAYMENT.

16 THE COURT HAS MADE NO FINDINGS OR DETERMINATIONS
17 RESPECTING THE MERITS OF THE ACTION. THE RECITATION OF THE
18 BACKGROUND AND CIRCUMSTANCES OF THE SETTLEMENT
19 CONTAINED HEREIN DOES NOT CONSTITUTE THE FINDINGS OF THE
20 COURT. IT IS BASED ON REPRESENTATIONS MADE TO THE COURT BY
21 COUNSEL FOR THE PARTIES.

22 IF YOU WERE NOT THE BENEFICIAL OWNER OF FARADAY COMMON
23 STOCK ON THE RECORD DATE, PLEASE TRANSMIT THIS DOCUMENT TO
24 SUCH BENEFICIAL OWNER.

25 PLEASE TAKE NOTICE that this action is being settled on the terms set forth in a
26 Stipulation and Agreement of Settlement dated July 19, 2024 (the “Stipulation”). The
27 purpose of this Notice is to inform you of:

28

- the existence of the above-captioned consolidated derivative action pending in the United States District Court for the Central District of California (the “Court”) captioned *In re Faraday Future Intelligent Electric Inc. Derivative Litigation*, Lead Case No. 2:22-cv-01570-CAS-JC (the “California Action”);

• the existence of similar derivative actions pending in the (1) Delaware Court of Chancery (the “Chancery Court”) captioned *Farazmand v. Breitfeld et al.*,

1 C.A. No. 2023-1283-LWW (the “*Farazmand* Chancery Action”); (2) Chancery Court
2 captioned *Wallace v. Krolicki et al.*, C.A. No. 2023-0639-LWW (the “*Wallace*
3 *Action*”); (3) United States District Court for the District of Delaware captioned
4 *Moubarak v. Breitfeld et al.*, C.A. No. 1:22-cv-00467-GBW (the “*Moubarak*
5 *Action*”); and (4) United States District Court for the District of Delaware captioned
6 *Wang v. Breitfeld et al.*, C.A. No. 1:22-cv-00525-GBW (the “*Wang* Action,” and
7 together with the California Action, the *Farazmand* Chancery Action, the *Wallace*
8 *Action*, and the *Moubarak* Action, the “Derivative Actions”);

9 • the proposed settlement between Plaintiffs¹ and Defendants reached in
10 the Derivative Actions (the “Settlement”);

11 • the hearing to be held by the Court to consider the fairness,
12 reasonableness, and adequacy of the Settlement and dismissal of the California Action
13 with prejudice;

14 • Plaintiffs’ Counsel’s application to the Court for a Fee and Expense
15 Amount; and

16 • Plaintiffs’ Counsel’s application to the Court for case Service Awards to
17 the five Plaintiffs in the Derivative Actions.

18 This Notice describes what steps you may take in relation to the Settlement.
19 This Notice is not an expression of any opinion by the Court about the truth or merits
20 of Plaintiffs’ claims or Defendants’ defenses. This Notice is solely to advise you of
21 the proposed Settlement of the Derivative Actions and of your rights in connection
22 with the proposed Settlement.

23 Summary

24 On July 19, 2024, Faraday, in its capacity as a nominal defendant, entered into
25 the Stipulation to resolve the Derivative Actions, which Stipulation was filed in the
26 Court. The Derivative Actions were brought on behalf of Faraday against certain
27 current and former directors and officers of the Company and against Faraday as a
28 nominal defendant. The Stipulation and the settlement contemplated therein (the
“Settlement”), subject to the approval of the Court, are intended by the Parties to fully,
finally, and forever compromise, resolve, discharge, and settle the Released Claims
and to result in the complete dismissal of the Derivative Actions with prejudice, upon
the terms and subject to the conditions set forth in the Stipulation. The proposed

¹ All capitalized terms used in this notice, unless otherwise defined herein, are defined as set forth in the Stipulation.

1 Settlement requires the Company to adopt and maintain certain corporate governance
2 reforms and procedures, as outlined in Exhibit A to the Stipulation (the “Reforms”).

3 In recognition of the substantial benefits conferred upon Faraday as a direct
4 result of the Reforms achieved through the prosecution and Settlement of the
5 Derivative Actions, and subject to Court approval, the Parties agreed, with a
6 mediator’s assistance, on May 13, 2024, that Defendants’ insurers shall pay to
7 Plaintiffs’ Counsel attorneys’ fees and expenses in the amount of seven hundred and
8 seventy-five thousand dollars (\$775,000.00) (the “Fee and Expense Amount”),
9 subject to Court approval. Plaintiffs’ Counsel shall also apply to the Court for service
awards to be paid to each of the five Plaintiffs in an amount of up to two thousand
dollars (\$2,000.00) each (the “Service Awards”), to be paid out of the Fee and
Expense Amount.

10 This notice is a summary only and does not describe all of the details of the
11 Stipulation. For full details of the matters discussed in this summary, please see the
12 full Stipulation and its exhibits posted on the Investor Relations page of the
13 Company’s website, <https://investors.ff.com/>, contact Plaintiffs’ Counsel at the
14 address, email or, telephone number listed below, or inspect the full Stipulation filed
with the Clerk of the Court.

15 What are the Lawsuits About?

16 The Derivative Actions are brought derivatively on behalf of nominal
17 defendant Faraday and allege, *inter alia*, that between January 28, 2021 through April
18 14, 2022, at least, the Individual Defendants breached their fiduciary duties by issuing
19 and/or causing the Company to issue materially false and misleading statements
20 (including by soliciting a materially false and misleading proxy statement allegedly
21 in violation of Section 14(a) of the Securities Exchange Act of 1934). Plaintiffs allege
22 that the Individual Defendants failed to disclose material facts to shareholders and the
23 public regarding, among other things, the extent of Defendant Yueting Jia’s
involvement within the Company following the Merger, and the number of actual
reservations the Company had received for the FF 91, its flagship vehicle, and failed
to maintain adequate internal controls. The Derivative Actions allege that, as a result
of the foregoing, the Company experienced reputational and financial harm.

24 Why is there a Settlement of the California Action?

25 The Court has not decided in favor of Defendants or California Plaintiffs.
26 Instead, the Parties agreed to the Settlement to avoid the distraction, costs, and risks
27 of further litigation, and because the Parties agree, and the Company determined, that
28 the Reforms that the Company will adopt, implement, and maintain as part of the
Settlement provide substantial benefits to Faraday and its stockholders.

1 Defendants have denied and continue to deny each and all of the claims and
2 contentions alleged by the Plaintiffs in the Derivative Actions. Defendants have
3 expressly denied and continue to deny all charges of wrongdoing or liability against
4 them arising out of any of the conduct, statements, acts, or omissions alleged, or that
5 could have been alleged, in the Derivative Actions. Nonetheless, Defendants have
6 concluded that it is desirable for the Derivative Actions to be fully and finally settled
7 in the matter and upon the terms and conditions set forth in this Stipulation.

8 The Settlement Hearing, and Your Right to Object to the Settlement

9 On September 3, 2024, the Court entered an order preliminarily approving the
10 Stipulation and the Settlement contemplated therein (the “Preliminary Approval
11 Order”) and providing for notice of the Settlement to be provided to current Faraday
12 stockholders (“Current Faraday Stockholders”). The Preliminary Approval Order
13 further provides that the Court will hold a hearing (the “Settlement Hearing”) on
14 **November 4, 2024 at 10:00 a.m.** before the Honorable Christina A. Snyder at the
15 United States District Court for the Central District of California, Western Division,
16 United States Courthouse, 350 W. First Street, Courtroom 8D, 8th Floor, Los Angeles,
17 California 90012 to among other things: (i) determine whether the proposed
18 Settlement is fair, reasonable and adequate and in the best interests of the Company
19 and its stockholders; (ii) consider any objections to the Settlement submitted in
20 accordance with this Notice; (iii) determine whether a judgment should be entered
21 dismissing all claims in the California Action with prejudice, and releasing the
22 Released Claims against the Released Persons; (iv) determine whether the Court
23 should approve the agreed-to Fee and Expense Amount; (v) determine whether the
24 Court should approve the Service Awards for Plaintiffs, which shall be funded from
25 the Fee and Expense Amount to the extent approved by the Court; and (vi) consider
26 any other matters that may properly be brought before the Court in connection with
27 the Settlement. Upon final approval of the Settlement, the Plaintiffs in the Derivative
28 Actions other than the California Action will voluntarily dismiss their complaints with
prejudice.

The Court may, in its discretion, change the date and/or time of the Settlement
Hearing without further notice to you. The Court also has reserved the right to hold
the Settlement Hearing telephonically or by videoconference without further notice
to you. If you intend to attend the Settlement Hearing, please consult the Court’s
calendar or the Investor Relations page of Faraday’s website,
<https://investors.ff.com/>, for any change in the date, time, or format of the Settlement
Hearing.

Any Current Faraday Stockholder who wishes to object to the fairness,
reasonableness, or adequacy of the Settlement as set forth in the Stipulation, or to the

1 Fee and Expense Amount or Service Awards, may file with the Court a written
2 objection. An objector must, at least twenty-one (21) calendar days prior to the
3 Settlement Hearing: (1) file with the Clerk of the Court and serve (either by hand
4 delivery or by first class mail) upon the below listed counsel a written objection to the
5 Settlement setting forth (i) a written notice of objection with the case name and
6 number (*In re Faraday Future Intelligent Electric Inc. Derivative Litigation*, Lead
7 Case No. 2:22-cv-01570-CAS-JC (C.D. Cal.)); (ii) the Person's name, legal address,
8 and telephone number; (iii) notice of whether such Person intends to appear at the
9 Settlement Hearing and the reasons such Person desires to appear and be heard, and
10 whether such Person is represented by counsel and if so, contact information for
11 counsel; (iv) competent evidence that such Person held shares of Faraday common
12 stock as of the date of the Stipulation and continues to hold such stock as of the date
13 the objection is made, including the date(s) such shares were acquired; (v) a statement
14 of objections to any matters before the Court, the grounds therefor, as well as all
15 documents or writings such Person desires the Court to consider; and (vi) the identities
16 of any witnesses such Person plans on calling at the Settlement Hearing, along with a
17 summary description of their expected testimony. Any objector who does not timely
18 file and serve a notice of intention to appear in accordance with this paragraph shall
19 be foreclosed from raising any objection to the Settlement and from objecting at the
20 Settlement Hearing, except for good cause shown.

21 ***IF YOU MAKE A WRITTEN OBJECTION, IT MUST BE RECEIVED BY THE***
22 ***CLERK OF THE COURT NO LATER THAN OCTOBER 14, 2024.*** The Clerk's
23 address is:

24 Clerk of the Court,
25 United States District Court for the Central District of California, Western Division
26 First Street U.S. Courthouse
27 350 W 1st Street, Suite 4311
28 Los Angeles, CA 90012

YOU ALSO MUST DELIVER COPIES OF THE MATERIALS TO
PLAINTIFFS' COUNSEL AND DEFENDANTS' COUNSEL SO THEY ARE
RECEIVED NO LATER THAN OCTOBER 14, 2024. Counsel's addresses are:

Counsel for Plaintiffs:
THE BROWN LAW FIRM, P.C.
Timothy Brown
767 Third Avenue, Suite 2501
New York, NY 10017
Telephone: (516) 922-5427

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Counsel for Defendants:
TROUTMAN PEPPER HAMILTON SANDERS LLP
Jay A. Dubow
Two Logan Square / 18th & Arch
Philadelphia, PA 19103
Telephone: (215) 891-4000

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, the attorney must serve (either by hand delivery or by first class mail) a notice of appearance on the counsel listed above and file such notice with the Court no later than twenty-one (21) calendar days before the Settlement Hearing. Any Faraday stockholder who does not timely file and serve a written objection complying with the above terms 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 objector who files and serves a timely, written objection in accordance with the instructions above, may appear at the Settlement Hearing either in person or through counsel retained at the objector's expense. Objectors need not attend the Settlement Hearing, however, in order to have their objections considered by the Court.

If you are a Current Faraday Stockholder and do not take steps to appear in this action and object to the proposed Settlement, you will be bound by the Judgment of the Court and will forever be barred from raising an objection to the settlement in the Derivative Actions, and from pursuing any of the Released Claims.

CURRENT FARADAY STOCKHOLDERS AS OF JULY 19, 2024 WHO HAVE NO OBJECTION TO THE SETTLEMENT DO NOT NEED TO APPEAR AT THE SETTLEMENT HEARING OR TAKE ANY OTHER ACTION.

Interim Stay and Injunction

Pending the Court's determination as to final approval of the Settlement, Plaintiffs and Plaintiffs' Counsel, and any Current Faraday Stockholders, derivatively on behalf of Faraday, are barred and enjoined from commencing, prosecuting, instigating, or in any way participating in the commencement or prosecution of any action asserting any Released Claims derivatively against any of the Released Persons in any court or tribunal.

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Scope of the Notice

This Notice is a summary description of the Derivative Actions, the complaints, the terms of the Settlement, and the Settlement Hearing. For a more detailed statement of the matters involved in the Derivative Actions, reference is made to them in the Stipulation and its exhibits, copies of which may be reviewed and downloaded at the Investor Relations page of the Company’s website, <https://investors.ff.com/>.

* * *

You may obtain further information by contacting Plaintiffs’ Counsel at: Timothy Brown, The Brown Law Firm, P.C., 767 Third Avenue, Suite 2501, New York, NY 10017, Telephone: (516) 922-5427, E-mail: tbrown@thebrownlawfirm.net. **Please Do Not Call the Court or Defendants with Questions About the Settlement.**